

Carestream

CARESTREAM 2020 SUSTAINABILITY REPORT

Innovation That's Life Changing.



Carestream 2020 Sustainability Report

Edited by:

Sarah Dobie*
 Doctoral Student
 University of Michigan

Herman Lee Baker Jr.
 Corporate EHS&S Director
 Carestream Health, Inc.

Sherriet Campbell
 WW Marketing Manager
 Carestream Health, Inc.

Amanda Carter
 EHS Data Manager
 Carestream Health, Inc.

Internal Review Team

David C. Westgate, CEO

Jorge Quant, CM Global Marketing

Reed Christiansen, Legal

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150 Verona Street, Rochester, NY, 14608

Telephone: +1 585-627-1800; Internet: www.carestream.com

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This report is a product of the staff of Carestream Health, Inc. (Carestream) and was prepared using the GRI Reporting Standards in accordance with the core disclosures. The intention of the report is to promote transparency by sharing information about Carestream's environmental, social, and economic performance with our stakeholders. Our previous report was published in 2016, and we plan to continue publishing reports on a biennial basis.

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*Summer Intern at Carestream Health, Inc. and PhD Student at the University of Michigan, A. Alfred Taubman College of Architecture and Urban Planning

Contents

Company Overview	5	Healthcares Sustainability Solutions.....	23
Vision	6	• DRX-Transportable System/Lite.....	23
Mission.....	6	• DRX Ascend System.....	23
Values	6	• DRX Revolution Mobile X-Ray System.....	24
Our Operations.....	7	Precision Contract Coating Services/Tollcoating	
Top Commitment.....	8	Sustainability Solutions.....	25
Our New Sustainability Policy.....	10	• Contributing in Renewable Energy Revolution	25
Our New Sustainability Framework.....	11	• Energy Efficiency Solutions	25
Achievements	12	Citizenship.....	26
Colorado Environmental Leadership Program	13	• Why Carestream Cares	26
Sustainability Management System	14	• Carestream’s Approach	26
• Management System	14	• Community Investment.....	28
• Governance Structure	14	• Disaster Relief	28
• Stakeholder Engagement.....	14	• Improving Access to Care.....	29
• Determining Priority Issues	15	• Educating Future Healthcare Providers	29
• Determining Boundaries.....	16	• Volunteer and Other Community Events.....	30
• Sustainability Goal Setting	17	United Way Day of Caring.....	30
Product Design and Innovation.....	20	Other Carestream Volunteer Events.....	30
• Why Carestream Cares	20	Golden Bidge International Caring Games	32
• Carestream’s Approach	21	Collection and Resale of Goods for Charity.....	32

Contents

Individual Employee Volunteer Activities.....	33
Our People.....	35
• Management Approach.....	35
• Fostering a Culture of Respect, Engagement and Empowerment	38
• Employee Health, Safety and Wellness.....	40
• Buiding Our Talent Pipeline	41
Environment.....	42
• Management Approach.....	42
• Energy Use	44
• Water Scarcity and Quality	45
• Material Scarcity and Waste	47
• Air Emissions.....	49
• Climate Action	50
Responsible Business Practices.....	52
• Management Approach.....	52
• Compliance.....	54
• Supply Chain Management	55
Appendix A: Allignment With ISO 26000	56
Appendix B: GRI Index.....	57

COMPANY OVERVIEW

Providing innovative solutions worldwide.

Carestream Health, Inc. (Carestream) has global manufacturing, service, R&D locations, and Technology Innovation Centers that support customers in nearly every country around the world. We are passionately committed to doing whatever it takes to help our customers be successful.

In 2007, we became an independent company committed to outstanding customer service, new technology development and continuous innovation. Our customers are the beginning and the end of everything we do. We understand their needs, exceed their expectations in ways that are meaningful to them and enable their success.

Today, we are a global market leader in:

- Medical Imaging
- Non-Destructive Testing
- Precision Contract Coating Services / Tollcoating

In today's rapidly changing global healthcare environment, where the mandate to provide better outcomes has never been greater, we add value by delivering personalized, affordable and practical options to help our customers advance.

When thinking of the world's first proven wireless digital radiographic detector, the first medical dry laser imager, or a unique new platform for mobile digital X-ray imaging—healthcare professionals around the world think of Carestream.

Carestream at a Glance:

- 2019 revenue approximately \$ 1.36 billion
- More than 4,000 employees worldwide
- Present in 170 countries around the world
- Headquartered in Rochester, NY, USA
- David C. Westgate, Chairman, President & CEO
- Carestream.com

Significant Changes to Operations

- Restructured organization
- Developed plan to invest in new business activities and grow business
- Sold Healthcare Information Systems (HCIS) to Royal Philips

Vision: Innovation That's Life Changing

We will provide "Life-changing" experiences for:

- Patients
- Customers
- Employees
- Communities
- Stockholders

"Innovation" will be our engine that fuels these experiences. We will drive innovation in our:

- Products, solutions, and services
- Processes

Mission: We provide customers with the highest value products and services through engaged employees who drive continuous innovation and operational excellence.

Values:

1. **Engagement and empowerment:** Leaders are committed to fostering an environment where we all are supported, valued, and appreciated.
2. **Customer first mentality:** Customers are the beginning and end of everything we do.
3. **Do the right things the right way:** Through trust, respect, and integrity we focus our work on improving the customer experience.
4. **Bias for action:** We make data-driven decisions quickly, and commit ourselves to disciplined execution.
5. **Culture of ownership and accountability:** We foster thoughtful risk taking and learn from our facilities.

OUR OPERATIONS



4,119

employees



69%

male



31%

female

99%

full-time
employees

1%

part-time
employees**Technology & Innovation Centers**

Rochester, New York

Genoa, Italy

Shanghai, China

R&D and Manufacturing Sites

Rochester, New York

Shanghai, China

R&D Sites

Oakdale, Minnesota

Manufacturing Sites

White City, Oregon

Windsor, Colorado

Xiamen, China

Guadalajara, Mexico

TOP COMMITMENT

Dear Reader,

At Carestream Health, we are in the business of sustainability. We have a long history of developing healthcare technologies and solutions that enable health and wellbeing of people around the world.

Everyday we work to exceed expectations through *Innovation That's Life Changing*, and time and time again, we have succeeded in improving quality of care without compromising on affordability or access to care.

We also recognize that our environmental performance has an impact on human health. For example, by emitting greenhouse gas emissions we are contributing to climate change, which will lead to environmental changes such as poor air quality, extreme temperatures, and shifts in climate regions.

Poor air quality contributes to an increase in asthma and allergies, extreme temperatures increase the likelihood of heat stroke, and shifts in climate regions leads to the spread of pests that carry diseases, such as Lyme disease, West Nile virus, and Zika virus.

As an international company, we have a sizeable impact on the health and wellbeing of the international community through our products and services, as well as through our business activities. Carestream Cares about leaving a positive legacy, having a better impact on the environment and society.

At Carestream, we are making some big changes that we are very excited about. Carestream 2020 is a new

initiative that Carestream recently launched that successfully freed up millions of dollars in assets to invest in the growth of our company.

One of the areas Carestream is expanding into is the renewable energy sector. Carestream recently invested in a multilayer coating technology that allows us to significantly increase battery capabilities and lead the world in the transition to a low-carbon economy, greatly reducing fossil fuel consumption and mitigating climate change.

As part of the initiative, we have restructured our organization to encompass this new growth and have updated our company vision, mission, and values to reflect our new outlook. Our sustainability program is just one of many areas in which we are operationalizing this new outlook.

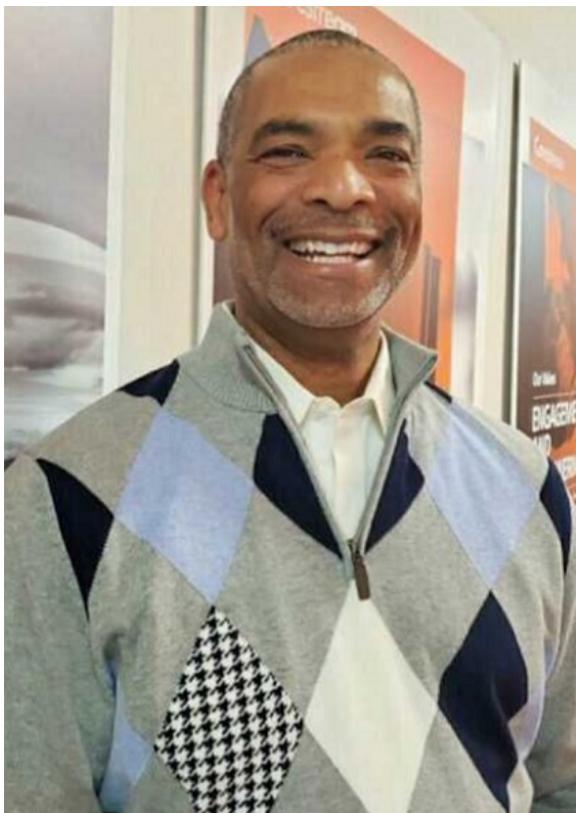
I hope you enjoy learning more about Carestream Health's sustainability story. Please visit our website and send us your feedback so we may continue to improve our performance.

Sincerely,,

Dave C. Westgate



David C. Westgate
Chairman, President and CEO



Herman Lee Baker, Jr.

Corporate EHS & Sustainability Director

Dear Reader,

In the beginning of 2019, I took over as the Corporate EHS & Sustainability Director at Carestream, and since my first day, it has been clear that our company is committed to the advancement of sustainability efforts.

We have made tremendous strides in improving our environmental and social performance since our last report in 2016, but we still have a long way to go, as do most companies.

One area we plan to focus heavily on in our sustainability program in the coming years is climate action, with a specific focus on energy conservation and renewable energy.

Renewable energy targets are now an integral part of the renewable energy landscape, with 164 countries worldwide having adopted some type of renewable energy target to date.

To support these targets, manufacturing companies are increasingly setting their own targets to reduce costs, diversify energy supply, stabilize energy pricing, and address demand from investors. We believe that our company has the potential to be a leader in this arena, and by 2025, we plan to evaluate the feasibility of high impact projects for reducing our energy consumption and transitioning to renewable energy sources.

Since our last report, we have updated our sustainability policy and framework, and developed 2025 goals to reflect global trends and international standards for sustainability, such as aligning our

efforts with the Sustainable Development Goals and ISO 26000 framework.

Our 2025 goals are more aggressive than 2020, and there is a chance we might not achieve them, but we welcome the challenge. In order to make the necessary improvements to avoid environmental catastrophe, companies need to be bold and stretch themselves to see just how much they can really improve. All companies have successes and failures, and by sharing our progress openly and truthfully, we can learn from each other.

At Carestream, we will continue to do our part, seeing how far we can push ourselves to improve our impact and continually seek opportunities to create shared value through our products, services, and our business activities. We hope you enjoy reading about some of our recent accomplishments and what we hope to achieve in the near future.

Sincerely,

Herman L. Baker Jr.

OUR NEW SUSTAINABILITY POLICY

The Sustainability Policy was adopted to reflect the company leadership's commitment to the environment and to the health and safety of company employees, neighbors and customers. The policy was approved by the Sustainability Governance Committee.

Carestream cares about meeting the needs of the stakeholders by providing innovative solutions and outstanding experiences, running efficient operations that minimize environmental impacts, and managing our activities in a socially responsible manner. Because Carestream cares, we help create a better life for people around the world through our innovative healthcare products, reliable services, and new advanced material technologies.



Carestream cares about:



Product Design and Innovation: Developing innovative products that contribute societal value and are environmentally sensitive.



Citizenship: Giving back to our communities through community investment, employee empowerment, and supporting the education of future professionals.



Our People: Creating an injury free workplace and proper work conditions, and fostering a culture of empowerment, innovation and productivity.

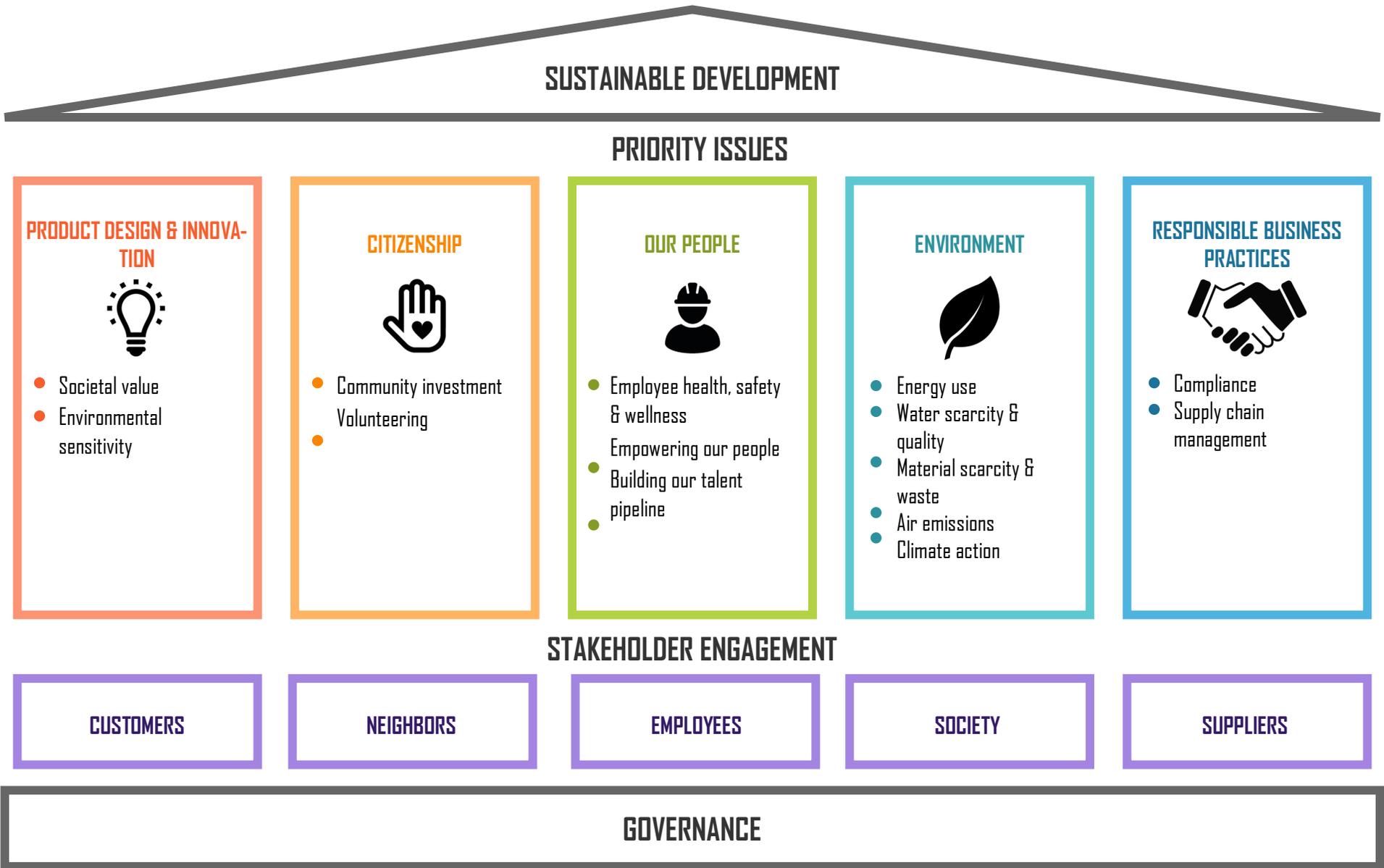


Environment: Efficient use of natural resources, reduction of harmful emissions, and minimization of waste in our operations.



Responsible Business Practices: Ensuring compliance with national and international laws and regulations in our operations and supply chain, and influencing suppliers to improve their environmental and social performance.

OUR NEW SUSTAINABILITY FRAMEWORK



ACHIEVEMENTS

Carestream is continuously working to improve our sustainability performance. Here we recognize a few of our many achievements from 2017 to 2019:



Products Design & Innovation

220 new patents granted
10 new products commercialized



Citizenship

Made 21 charitable contributions and
5 educational grants
2,470 volunteer hours, an estimated \$106,000 in
employee salary and benefits



Our People

220 employees became Carestream Quality Advocates
50 employees received their Lean Six Sigma green belt
certification
6 people received their Lean Six Sigma black belt
certification



Environment

Our Windsor, Colorado facility was recognized as a Gold
Leader by Colorado's Environmental Leadership Program



Responsible Business Practices



ISO 14001:2015 certified, formerly ISO 14001: 2004
certified



14001

Conducted 142 EHS site audits for
compliance and conformance with ISO



Colorado Environmental Leadership Program

The Colorado Department of Public Health and Environment (CDPHE) developed the Colorado Environmental Leadership Program (ELP) to recognize and

reward businesses that go beyond compliance with state and federal regulations to improve their environmental performance. Companies can apply for three tiers of awards:

1. **Gold Leader:** Environmental goals in place, fully implemented management system, three year clean compliance record, and a three-year renewable term.
2. **Silver Partner:** Established environmental goals, seeking Gold level, one-year clean compliance record, and a three-year renewable term.
3. **Bronze Achiever:** Significant environmental project, on-year clean compliance, and one-year recognition.

The program is open to all Colorado businesses, industries, offices, educational institutions, municipalities, government agencies, community, not-for-profit, and other organizations. A summary of the requirements can be found online in the Colorado ELP Handbook: https://www.colorado.gov/pacific/sites/default/files/DEHS_ELP_Handbook2015.pdf.

Our Colorado facility has been recognized as a Gold Leader for their various efforts to improve their environmental performance and their robust environmental management system.

Within Carestream, our Colorado facility has been a leader in sustainability, even helping to drive some of our corporate-wide efforts. The EHS and Sustainability team has implemented several projects to improve their environmental performance, attended workshops to learn about common best practices, and even engaged in community planning efforts to help improve environmental health beyond the boundaries of their environmental management system.

Some of their many notable achievements can be found in the environmental section of this report.

SUSTAINABILITY MANAGEMENT SYSTEM

Management System

Carestream implemented its sustainability program in 2014, and since then we have made tremendous strides in improving our environmental and social impact.

Sustainability is managed in conjunction with Environmental, Health and Safety Management System (EHSMS). Our EHSMS is ISO 14001 certified and OHSAS 18001 certified. This year, we developed a formal management system to for our sustainability program. The management system was develop using the ISO 26000 standard and aligned with our existing EHSMS. Appendix A includes a table showing how our Sustainability Management System is aligned with the ISO 26000 standard.

The EHSMS and Sustainability Management System embody the Plan-Do-Check-Act framework.

Governance Structure

Carestream's Sustainability program regularly engages top management through its Sustainability Governance Council. The council is led by the Corporate EHS & Sustainability Director and includes the following executive leaders: Chief Executive Office, Chief Financial Officer, Chief of Human Resources Officer, and Senior Vice President of Operations.

These individuals are intended to represent expertise from various subject areas. Combined, they have a strong understanding of customer expectations, environmental issues, and environmental reporting, as well as employee

and social concerns.

On an annual basis, the Council considers stakeholder feedback, its risk management position relative to potential impacts, and opportunities.

The council is considered to be the highest governance body responsible for decision-making on sustainability priority issues. This structure provides the executive leadership necessary to direct company efforts.

Each year the council meets for an EHS & Sustainability Management Review meeting and assesses the performance of both the program and Sustainability Governance Council. The council performs a self-assessment for assessing its performance and identifies action items. Although, in the future, Carestream will work toward using an external assessment through a third party.

While this is the primary group that reviews annual performance and determines the direction of the sustainability program, the Corporate EHS & Sustainability Director recently engaged employees from various functions and levels of the organization in the development of the Carestream 2020 EHS & Sustainability 5-year Strategic Plan. This plan established goals and actions to improve EHS & Sustainability performance across the company. Going forward, Carestream will employ a similar approach in the development of future sustainability plans.

Stakeholder Engagement

Carestream encourages stakeholder feedback throughout

the organization, and we consider this feedback during new product development, as well as for site and corporate activities. Input is compiled, as appropriate, into Carestream's Annual Strategic Planning events. Carestream has an external mailbox to gather feedback from customers and other stakeholders.

In addition, an internal mailbox is available to gather feedback from employees. This feedback is reviewed by the Corporate EHS & Sustainability Director and is shared with the Sustainability Governance Council to determine any changes in the company's Materiality Assessment.

Determining Priority Issues

As part of the 2016 reporting process, Carestream performed a materiality assessment to determine its priority issues (i.e. material aspects) based on the potential impact on the company and stakeholder concern. Priority issues are determined using our materiality assessment process.

The following stakeholders were considered: customers, employees, neighbors, suppliers, competitors, and society. The priority issues chosen aimed to cover areas relevant to these stakeholders and that had a significant impact on the company.

A combination of internal and external factors were used to determine whether an issue should be prioritized by Carestream, including factors such as Carestream’s overall mission, vision, values, and competitive strategy, stakeholder expectations, global issues, and Carestream’s ability to influence upstream (supply chain) and downstream (customers) entities.

Changes in Priority Issues

For the 2020 report, Carestream has made some changes to its priority issues to better align the issues with our EHS & Sustainability management system. As our management system matures, our focus is shifting away from a focus on compliance toward being proactive, sustainable, and integrated. Therefore, we consolidated topics that were more compliance focused and reorganized how priority issues are grouped in a new Sustainability Framework.

Changes to priority issues also considered the various

contextual aspects shown in the materiality assessment process graphic. Although, changes in priority issues resulted primarily from changes to reporting guidelines, competitor benchmarking, and recent global trends.

Global Trends

During the competitive benchmarking, Carestream found that competitors were aligning their sustainability frameworks with the Sustainable Development Goals (SDGs), which were developed by the United Nations General Assembly as part of the 2030 Agenda.

The SDGs set forth a framework to address the major economic, social, and environmental problems facing the international community. These problems could pose significant risks to Carestream if no action is taken. Thus, we have aligned our sustainability framework with the SDGs to show how Carestream contributes to achievement of the goals through its products and services, as well as through its business operations and corporate philanthropy activities.

The United Nations Global Compact developed an SDG Industry Matrix for the Healthcare and Lifesciences industry. The matrix identifies industry-specific activities that can be undertaken to support achievement of the SDGs.

SDGs Carestream contributes to through products and services:

SDGs Carestream contributes to through business practices and activities, and citizenship:

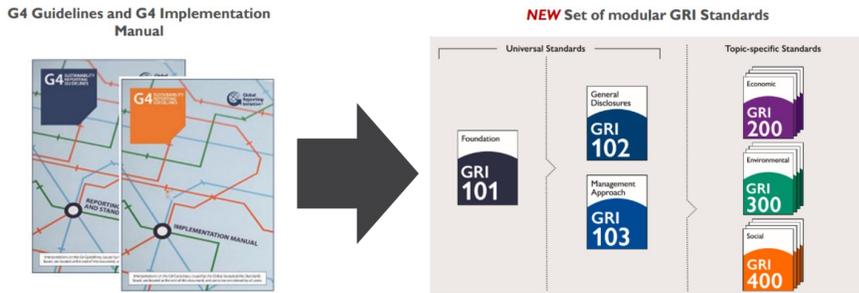


Changes in Reporting Guidelines & Benchmarking

Since our previous sustainability report was published the Global Reporting Initiative replaced its G4 Standard with the GRI Standards. To accommodate these changes we first used the mapped our previous disclosures from the GRI G4 Standard to the GRI Standards using the crosswalk document provided by GRI.

Then, an analysis was performed to determine which disclosures competitors reported in their most recent report and identified gaps in our disclosures.

Also, we examined if there were any additional disclosures Carestream should consider based on changes to our Sustainability Management System.



▲ Changes in how GRI structures its reporting guidelines, from GRI G4 Standard to GRI Standards. Available online: <https://www.quinnandpartners.com/new-gri-standards-released/>

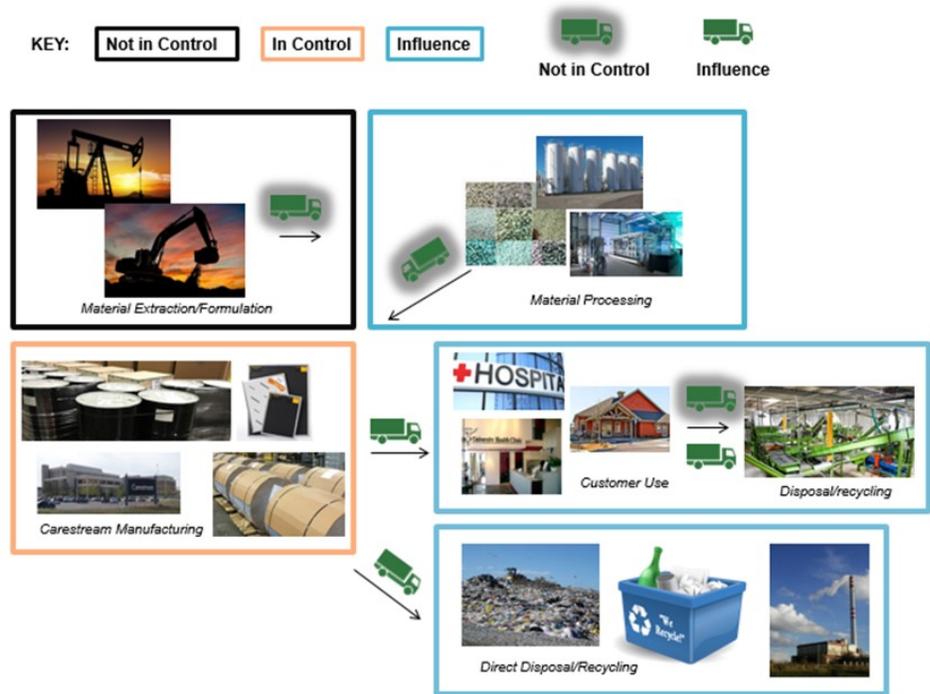
Determining Boundaries

Carestream’s Sustainability Governance Council has established Sustainability Reporting Priority Issue boundaries with consideration of where the company has the greatest impact and the ability to control or influence – the design, manufacture, distribution, and use of its products.

Since the company is dependent on a variety of raw materials, the current upstream boundaries only include raw

material consumption associated with manufacturing operations, not extending further to encompass all primary or secondary suppliers.

In addition, since Carestream products are sold in over 170 countries and typically have useful lives, only certain aspects of the use phase (e.g. availability for consumer use) and of the end of life phase (e.g. disposal compliance) are considered to be priority issues.

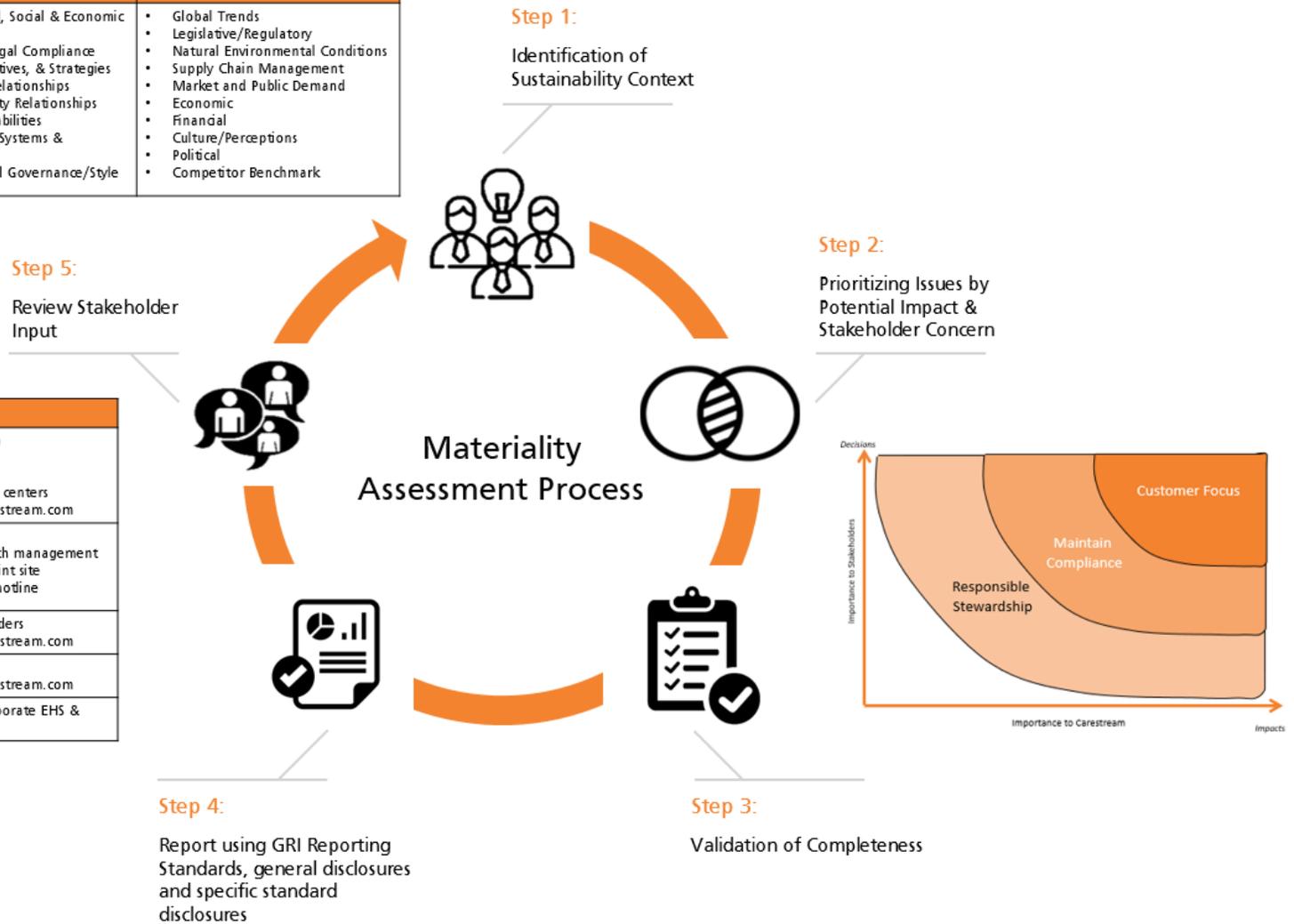


▲ EHS and Sustainability Management System Boundaries

Process for Determining Priority Issues

Internal Context Considerations	External Context Considerations
<ul style="list-style-type: none"> Environmental, Social & Economic Impact Regulatory/Legal Compliance Policies, Objectives, & Strategies Contractual Relationships Interested Party Relationships Resource Capabilities Management Systems & Standards Organizational Governance/Style 	<ul style="list-style-type: none"> Global Trends Legislative/Regulatory Natural Environmental Conditions Supply Chain Management Market and Public Demand Economic Financial Culture/Perceptions Political Competitor Benchmark

Stakeholder	How Input is Given
Customers	<ul style="list-style-type: none"> Voice of the Customer program Requests in bid contracts Phone surveys Inquiries to business operations centers Inquires to "Contact us" at carestream.com
Employees	<ul style="list-style-type: none"> Employee surveys Employee feedback sessions with management Input via Sustainability SharePoint site Concerns through anonymous hotline
Neighbors	<ul style="list-style-type: none"> Inquires to Carestream Site Leaders Inquires to "Contact us" at carestream.com
Suppliers	<ul style="list-style-type: none"> Purchasing interactions Inquires to "Contact us" at carestream.com
Society	<ul style="list-style-type: none"> Discussion and emails with Corporate EHS & Sustainability Director



Sustainability Goal-Setting

In 2016, Carestream set three sustainability goals to improve its environmental and social performance. Since it was our first time we set goals for our sustainability management system, we set conservative goals. We consulted our EHS & Sustainability Team, as well as the Sustainability Governance Council.

We were successful in achieving all three of our goals. Each year we had active participation in the United Way Day of Caring, an annual volunteering event discussed further in our Citizenship section of the report.

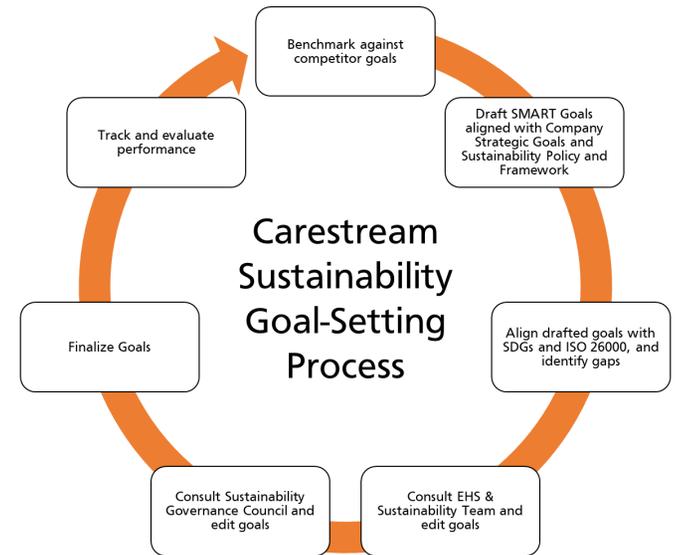
Additionally, we implemented various projects improve manufacturing efficiencies, reducing energy intensity and manufacturing waste intensity. These projects are discussed further in our Environment section of the report.

The figure on the right shows the goal-setting process we use to set our 2025 sustainability goals. First, we

considered goals set by our competitors to understand the types of goals Carestream should aim to set. Next, we drafted SMART (Specific, Measurable, Attainable, Realistic, Time-Based) Goals that are competitive and align with our sustainability policy and framework.

Then, we considered how our goals aligned with ISO 26000 and the SDGs frameworks and identified gaps. Finally, we consulted our EHS & Sustainability Team and Sustainable Governance Council to make edits to the goals, helping to ensure they were realistic and attainable.

We will track our progress in achieving the goals annually, and our progress will inform the next cycle of goal-setting.



2020 Sustainability Goals

Goal	2020 Target	Performance
 Citizenship Active site participation in community events, i.e. participation is organized by Carestream.	Participation in one volunteer event per year	1 per year 2015 to 2019 
 Environment Reduce annual energy intensity (indexed to revenue). Reduce manufacturing waste intensity (indexed to revenue).	5% reduction, 2015 baseline	
	5% reduction, 2015 baseline	

2025 Sustainability Goals

Goal	2025 Target (2020 baseline)	
 Product Design & Innovation	Eliminate the use of mercury in our products.	Eliminate 100% of mercury
	Develop a better understanding of the environmental impacts of our products throughout their lifecycle to identify opportunities for improving our impact.	Perform LCAs for our three products with the most sales
  Citizenship Environment	Increase employee participation in volunteer program.	10% employee participation
	Reduce annual energy intensity (indexed to revenue).	10% reduction
	Decrease overall max demand kW throughout Carestream.	5% reduction
	Reduce average per-site CO2 emissions.	4,000 pounds or more reduction per site annually
	Demonstrate corporate leadership, innovation, and competitive first-mover advantage for renewable energy.	Develop a baseline analysis, analyze potential costs, benefits and impacts, and consider additional tools such as long-term energy planning and resource assessments that we can potentially institute throughout our global facilities for 2025 and beyond.
	Use the latest scientific data to inform goal-setting.	Certify a Science-Based Target for greenhouse gas emissions
	Better understand our current performance and take action to mitigate greenhouse gas emissions and adapt to climate change impacts.	Annual participation in CDP Climate Questionnaire
Better understand our impact on water scarcity and quality and take action to reduce our impact.	Annual participation in CDP Water Questionnaire	
  Our People Responsible Business Practices	Reduce waste landfilled through reduction in waste and increase in reuse and recycling of waste.	Achieve zero waste to landfill certification for at least 1 major manufacturing and/or R&D facility
	Reduce air emissions intensity (VOCs, HAPs, and CO & NOx).	10% reduction
	Increase support for employee continued education and vocational training.	Develop system to track employee continued education and training
Increase accountability of suppliers for their environmental and social performance.	Update purchasing policy with more stringent requirements for environmental and social performance	

PRODUCT DESIGN & INNOVATION

MANAGEMENT APPROACH

Why Carestream Cares

In order for Carestream to create shared value, we must ensure that we are developing products that support health and wellbeing of society, and that we are not contributing to the degradation of the environment, which affects the former.

Quality, affordability, and access to care has been a major concern for health systems around the world for many years.

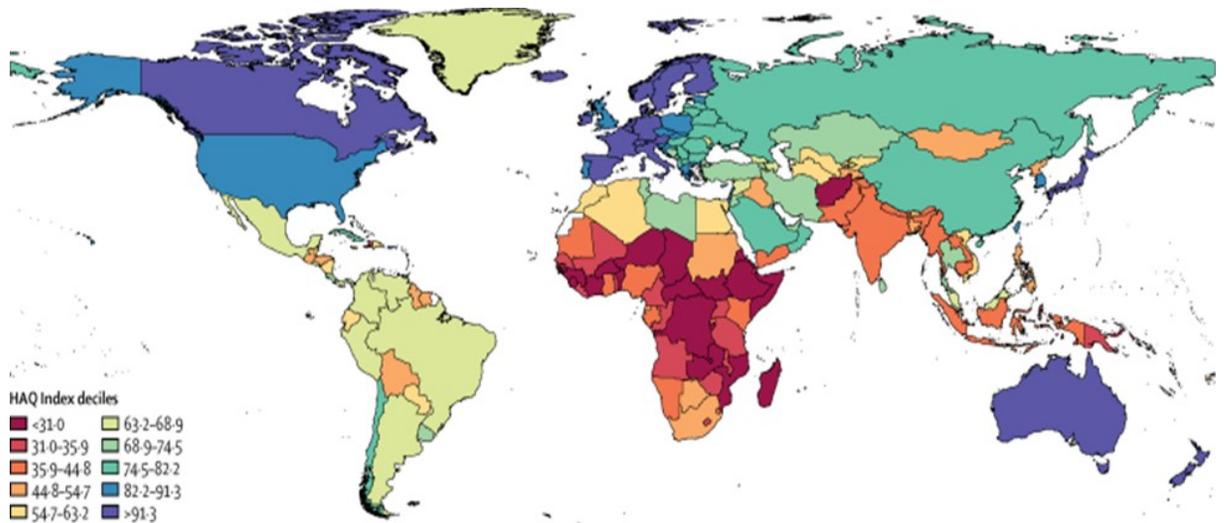
Despite technological advancements in healthcare, there are still various regions of the world that do not have access to quality healthcare. In 90% of Least Developed Countries (LDCs), there is only one physician per 1,000 people, and in 60% of LDCs there are only three nurses or midwives per 1,000 people.

The cost of healthcare is growing, and it is a major problem facing both developed and developing countries. Globally, approximately 12% of households spends one-tenth of their household budget on healthcare services. The United States, for example, spends 50% to 200% more on healthcare than other developed countries.

Affordability and access to care as seen as tradeoffs to quality of care. In order to improve affordability and access to care, many companies must compromise on quality of care.

However, at Carestream, we work to develop innovative solutions that improve access to care and affordability. We develop solutions that streamline workflow, improve diagnostic capabilities, and offer value-tier products that

optimize product cost and quality.



▲ The Healthcare Access and Quality (HAQ) Index was developed to assess personal healthcare access and quality based on Global Burden of Diseases, Injuries and Risk Factors Study 2016 to determine the HAQ Index ratings.

Carestream’s Approach

Carestream conducts in such a way as to preserve the environment and protect the safety, health, and wellness of its employees neighbors and customers.

At Carestream, we truly use our business as a force for good. Carestream began as a healthcare equipment manufacturer, contributing to the ability of healthcare professionals to diagnose and treat health issues.

Over time, we have grown into a company that also leverages its experience in film to support the development of other products that support sustainable development, such as solar photovoltaics, batteries, smart windows, and more.

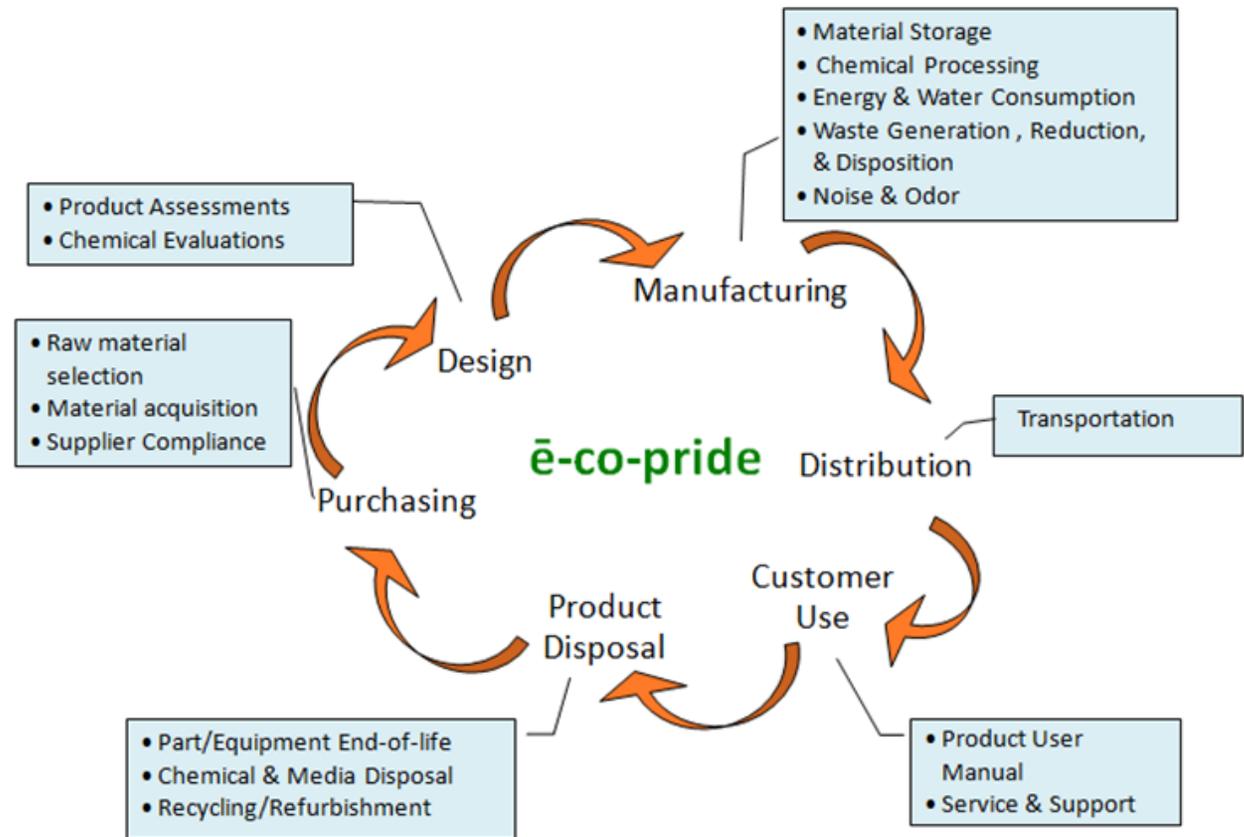
Carestream integrates lifecycle thinking during product commercialization. Life cycle considerations are aligned with our company’s “ē-co-pride” principles:

- **ē** represents the environmental and the employee health and safety considerations,
- **co** represents the compliance and cost expectations, and
- **pride** represents how Carestream will embrace, integrate and demonstrate its obligations.

When designing our products, if we are unsure of the impact the product or component might have we practice the precautionary principle and err on the side of caution. Our mission is to expand access to healthcare to all regions around the world that will build value through actions that are socially responsible. Sustainability

profiles are being created for our new products to showcase how societal value and environmental design are being incorporated into product design.

We look to optimize manufacturing efficiencies, decrease electricity consumption of our products, decrease the toxicity of materials used, minimize the weight of our products, and implement other environmentally sensitive features into new product designs.



Additionally, we look for opportunities to continuously decrease the cost of care and expand access to care through our product designs. New designs take into account these societal values, and products and services are revisited regularly to ensure that our solutions are able to best serve customers' needs. Each year we continue to improve upon our current products, making improvements to product functions that are selected from a list of proposed improvements compiled from our Voice of the Customer processes.

From 2017 to 2019, we were granted 220 new patents for our innovations, and we incorporated numerous improvements based on our Voice of the Customer program. In this report, we highlight a few of our recent innovations. We also commercialized 10 new products.

Overview of Priority Issues

- **Societal Value**—Creating societal value through solutions that improve access, affordability, and quality of care.
- **Environmental Sensitivity**—Minimizing the environmental impact through use of Design for Environment

Risks

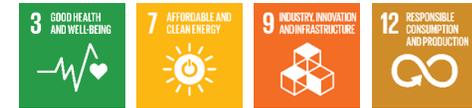
- Less attractive products to due environmental and social impacts
- Liability from consumer health and safety issues
- Liability from environmental issues with products
- Susceptible to new laws and regulations related to product environmental and social performance

Opportunities

- Customers willing to pay more for quality products and services
- Voice of Customer program to understand customer needs and challenges
- Develop products that support sustainable consumption (i.e. Design for Environment)

Related SDGs

Carestream aims to contribute to achievement of the following Sustainable Development Goals through its business activities:



-
- SDG 3: "Ensure healthy lives and promote well-being for all at all ages."
- SDG 4: "Ensure inclusive and equitable quality education and promote lifelong learning."
- SDG 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."
- SDG 12: "Ensure sustainable consumption and production patterns."

HEALTHCARE SUSTAINABILITY SOLUTIONS

DRX-Transportable System / Lite

Healthcare facilities in rural and remote communities have a unique set of challenges, including diagnostic imaging, associated with their geographic isolation. The facilities operate very differently than their city counterparts. They are often smaller, yet they must provide a broad range of integrated health services, including medical imaging. Additionally, they provide their services to a more dispersed population.

The DRX-Transportable System/Lite helps deliver diagnostic imaging to rural communities including those in Australia, Everest, and the Antarctic.

In addition to the challenges of serving rural populations, many healthcare providers also have budget restraints. Carestream is working with these regional healthcare facilities to ease their challenges with our innovative and affordable DRX-Transportable System/Lite.

Many regional facilities have both analogue fixed rooms and analogue mobile units. They want to upgrade these systems to DR technology so that they can provide an

accelerated workflow for staff, improve image quality at a lower dose, and ultimately help improve patient care. But their limited budgets prevent them from replacing their entire CR suite. That's where the DRX-Transportable System/Lite comes in.

The system allows healthcare facilities to upgrade to DR easily and affordably, while keeping their existing analogue equipment. This solution features a 1.6kg wireless tablet PC, with a 12-inch touch screen. The tablet uses a virtual access point within the DRX detector, enabling users to acquire and view diagnostic images within seconds. The tablet PC is self-powered and rechargeable. Users can move freely around the hospital, from the X-ray room to mobile units, and most importantly, from the hospital to smaller rural healthcare facilities.

The vertical wallstand includes the ergonomically designed EZ Glide hand control to allow operator image-receptor adjustment from a comfortable standing position. The optional tilting wallstand Bucky allows horizontal positioning for upper-extremity studies or positioning under a moveable table.

The auto-tracking feature tracks with the table or wallstand to deliver enhanced workflow and timely patient care. Image recall provides review of any previous image for the current patient. Both hardware and software options boost facility workflow.

DRX Ascend System

The DRX Ascend is specifically designed for hospital radiology departments, imaging centers, orthopedic facilities and urgent care clinics. DRX Ascend Systems are feature rich and offer full positioning functionality, while providing the highest degree of image quality and patient care.

The DRX Ascend delivers high-end DR system features at an affordable price for a wide range of diagnostic-imaging facilities. The digital radiography system saves space, reduces installation costs and offers positioning flexibility.



▲ DRX-Transportable System/Lite



▲ DRX Ascend System

The DRX Ascend was built for high reliability, which minimizes part replacements and extends the product's functional life. This supports reduced consumption of natural resources, and may reduce pollution from transportation and disposal impacts. Replacement parts - and in fact the entire system - have been designed for easy servicing or replacement.

Ascend also enables sharing of DRX wireless detectors with other DRX

systems - eliminating the need for process chemistry and film storage.

DRX Revolution Mobile X-ray System

The DRX Revolution Mobile X-ray System provides fast, convenient DR imaging for patients at the bed side, in the DR, ICU, ER, or Pediatric Unit.

The DRX Revolution was designed with a small footprint to easily reach patients, even in tight and cluttered spaces. The system features our ImageView Software

that offers outstanding image clarity and resolution, which can directly affect the success of patient diagnosis. SmartGrid processing provides image quality comparable to images acquired with an anti-scatter grid, but with reduced dose to patients. The bins hold all detector sizes and provide charging to keep productivity at a max. Functional LED lighting gives the user another point of visibility for when an exposure is complete during the exam. Quiet drive motor and brakes provide less disruption to patient's and facility personnel, especially at the point of care.

The DRX Revolution was also designed for ease of servicing. The redesigned cord reel and tube head display improves serviceability and ergonomics for the user. With exchange parts to help keep service costs low and the system up and running to serve patients with minimal delays.

In addition, the mobile system is highly reliable, which minimizes part replacements and helps to extend its functional life.

Manufacturing efficiencies have been achieved with exacting column specifications to aid in reducing scrap waste. The plastic resin used is highly durable and long lasting. Battery improvements allow for faster charge-and-ready-to-shoot-capability, as well as extremely long battery life to reduce waste and impact on the environment - supporting lower consumption of natural resources, and the potential for reduction of pollution from transportation and disposal impacts.

The DRX Revolution allows for sharing of wireless DRX digital detectors to eliminate the need for process chemistry and film storage.

The Tech Vision technology allows the technologist to stay close to the patient during exams - a multicolor touchscreen on the tube stand for generator control and image preview from the bedside.

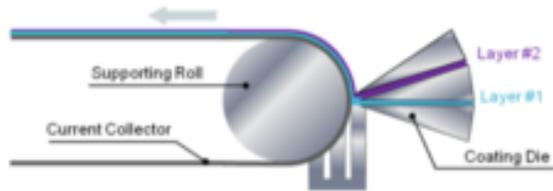


▲ DRX Revolution Mobile System

PRECISION CONTRACT COATING SERVICES / TOLLCOATING SUSTAINABILITY SOLUTIONS

Contributing to the Renewable Energy Revolution

We combine our precision coating expertise with lab, small-scale pilot and production coater assets to reduce up-front investment costs and efficiently scale-up energy storage products to commercialization. We leverage our energy storage experience, partnership with Polaris Battery Labs and our established relationships with substrate and chemical suppliers to help customers overcome common roadblocks to commercializing their technology.



▲ XYZ...

Another way we support the transition to renewable energy is through application of multilayer coating for development of photovoltaic technologies. Carestream's liquid atmospheric coating capability enables the development of a wide range of solar photovoltaic backsheets and frontsheets, as well as active layers for novel approaches such as solution deposited CIGS and DPV applications.

Energy Efficiency Solutions

Carestream also has a partnerships to develop energy efficiency technologies, such as OLED and LED lighting. We support the production of these products through application of our simultaneous, precision multilayer coating technology in a clean room environment, backed by years of experience in manufacturing optical grade films.

Specifically, we specialize in:

- Phosphor films for LED,
- Transparent conductors for OLED,
- Barrier films for OLED,
- Light diffusion films, and
- Light reflecting films.

Another product Carestream's tollcoating methods are instrumental in producing are smart windows. Our simultaneous, precision multicoating technology is used to develop window films featuring privacy, decoration, and energy and light management attributes for architectural windows, smart windows, sunroofs, rearview mirrors and beyond.



▲ OLED and LED lights developed using our coating technology



▲ Solar panels developed using our coating technology



▲ Smart windows developed using our coating technology

CITIZENSHIP

MANAGEMENT APPROACH

Why Carestream Cares

Strong community relations is key for the success of every business. We understand that our communities allow us to operate, and it is important to give back to our communities in return.

In addition, the success of our community in part determines the success of our company. By investing in our communities, we are empowering them to live fulfilling lives, and we are enabling our own success.

Not only does giving back help our relationship with the community and community wellbeing, it also boosts employee morale. Employees feel good about themselves when they give back to their communities, and by providing employees an outlet to do this through the workplace it helps them to take pride in their job and builds loyalty.

Further, customers prefer to purchase from companies that are socially responsible, and community impact is a large piece of this. Thus, giving back is both fulfilling and a strategic business activity.

Carestream's Approach

Citizenship is a focus area of our Sustainability

Management System that has resulted from collaboration between various departments at Carestream.

Our EHS & Sustainability department helped to develop a policy for charitable contributions, educational grants, and independent research grants in 2016, and these community investments are managed by our Corporate Grants and Charitable Contributions Committee.

In 2016, our EHS & Sustainability department also developed a volunteering program that allowed employees to take a paid day off to volunteer in the community. Employees from various departments have participated in the volunteer program and contributed to the upkeep of several community assets, such as senior living communities, affordable housing communities, daycare centers, food banks, parks, and so on.

Since implementation, the program has been managed by the Human Resources Department, and the EHS & Sustainability department helps to engage employees in the program and communicate volunteer stories on our intranet site and in our sustainability reports.



Overview of Priority Issues

- **Community investment**—Investing in community infrastructure and programs to support health and wellbeing.
- **Volunteer & other community events**—Employees giving back through participation in volunteer events.

Risks

- Loss of reputation from taking no action
- Poor relationship with community members

Opportunities

- Improved reputation with community, protecting license to operate
- Formation of partnerships and relationships that can be leveraged in the future
- Increased skill-based volunteering, utilizing employees' core skills and competences to give back

Related SDGs

Carestream aims to contribute to achievement of the following Sustainable Development Goals through its business activities:



- SDG 2: “End hunger, achieve food security and improved nutrition and promote sustainable agriculture.”
- SDG 3: “Ensure healthy lives and promote well-being for all at all ages.”
- SDG 4: “Ensure inclusive and equitable quality education and promote lifelong learning.”
- SDG 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”

COMMUNITY INVESTMENT

One of the ways in which Carestream gives back to communities is through community investment. We provide charitable contributions, educational grants, and independent research grants for:

- Supporting the education of healthcare providers involved in diagnostic imaging;
- Supporting the communities in which Carestream operates;
- Supporting Third Parties with a charitable mission related to individual or community health or health-related education;
- Responding to natural disasters;
- Supporting healthcare research; or
- Such other similar purpose as may be approved by the Grants and Charitable Contributions Committee from time to time.

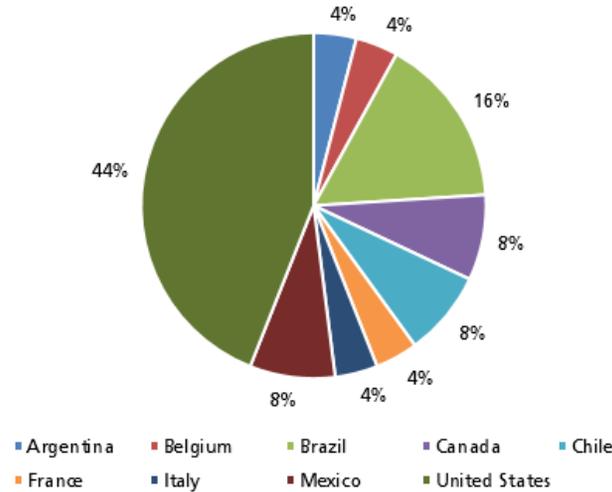
From 2017 to 2019, Carestream funded 25 out of 82 applications, 21 of which were charitable contributions and 4 of which were educational grants. These community investments totaled over 1.2 million USD and were made to various organizations internationally.

Applications are welcomed through the Carestream website.

Disaster Relief

Another area Carestream commonly provides charitable contributions to is for disaster relief, for both natural and man-made disasters.

Community Investment by Country



In September 2017, Hurricane Irma, the strongest hurricane ever observed in the Atlantic ocean, made landfall in Florida. The hurricane resulted in \$70 billion in economic losses and claimed 134 lives. To support disaster relief, Carestream held an employee donation matching campaign that raised over \$16,000 for the American Red Cross.

In January 2018, a very heavy precipitation event caused flooding along the Pilcomayo River in Argentina. The flooding reached dangerous levels, and led to the displacement of over 17,000 people. Housing and other lifeline infrastructure were significantly damaged. To support relief efforts, Carestream made a 2,000 USD donation to Argentina Red Cross.

The Associazione Gigi Ghirotti - Onlus Genova is a voluntary no profit association founded in 1984 to alleviate pain in cancer patients mainly at home of sick people. Since 2002

it has managed two residential shelters (HOSPICE) in Genoa-Bolzaneto (area fully impacted by the bridge collapse) and Genoa-Albaro for patients who can no longer be assisted in home. Since 2010, the process of assisting patients with ALS (amyotrophic lateral syndrome) has begun. With the tragedy of the collapse bridge in Genoa in August 2018, the "Gigi Ghirotti" association is facing increasing cost to assure the charitable medical services due to the evident transportation issues in Genoa and need to reinforce activities and support for people leaving in the area of disaster. The contribution helped the Association to mitigate the higher expenses to perform their charitable activity due to the tragedy that hit Genoa.

Improving Access to Care

Carestream not only designs products to improve access to care, we also make charitable contributions that also help to expand access to care. For example, in 2018, Carestream made a charitable contribution to Voluntarios do Sertao, an NGO health initiative that performs thousands of procedures in just 5 days in very remote areas and needy regions of Brazil. With mammography, ultrasound, electrocardiogram and laboratory examinations, it promotes the mobilization of 300 volunteers from different areas: doctors, nurses, executives, technicians and support to provide healthcare for poor population without access to health services. Voluntarios de Sertao requested assistance with obtaining 3011000040 CX mammography films, DVM 20x25cm, which Carestream provided to them to support their mission.

Educating Future Healthcare Professionals

One of the areas Carestream regularly supports through its educational grants that support the education of future healthcare professionals.

In 2017, Carestream provided the medical students and faculty at a local university, John Hopkins University, with a 5,000 USD donation cover their admittance to the 2nd annual Scientific Conference on Machine Intelligence in Medical Imaging (C-MIMI).

Two large donations were also made to the Rochester Institute of Technology (RIT) Diagnostic Medical Sonography (Ultrasound) program.

In 2015, Carestream committed to providing RIT with 6 Ultrasound Touch Systems back, worth 1 million USD. The last two units were donated in 2018. This donation has

helped RIT to open its Clinical Health Sciences Center.

In 2019, Carestream donated additional ultrasound equipment and associated supplies. These pieces of equipment and associated supplies were previously used for competitive benchmarking purposes.

The donation provided equipment and supplies for RIT's ultrasound students to utilize during laboratory portions of their coursework. If the equipment were not donated, it will be disposed of as waste. By donating the equipment and supplies Carestream was able to lessen its environmental impact in a way that also supported education of future healthcare professionals.



▲ An RIT student using Carestream's equipment for hands-on learning in the Ultrasound Sonography Suite. Available online: <https://www.rit.edu/facilities/diagnostic-medical-sonography-lab>

VOLUNTEER & OTHER COMMUNITY EVENTS

Each year, employees are allowed to take one paid day off to volunteer in the community. From 2017 to 2019, Carestream employees volunteered for a total of 2,470 hours, which is equivalent to approximately \$106,000 in employee salary and benefits.

United Way Day of Caring

Every year, Carestream employees based in Rochester, NY participate in the United Way's Day of Caring, Rochester's single largest volunteer event supporting not-for-profit organizations. Carestream's participation in this event fosters community engagement, teamwork among our co-workers and local awareness for our brand, and we have participated in this annual event for several years, including the events in 2017, 2018 and 2019.

Other Carestream Volunteer Events

In addition to the Day of Caring, Carestream employees also engage in and coordinate various other volunteer events.

In 2018, the Rochester facility held a supply drive for Sample Soap, a charity organization that collects toiletries for those in need in the Greater Rochester Area. The collection was held over a four-month period and collected 282 pounds of toiletries.

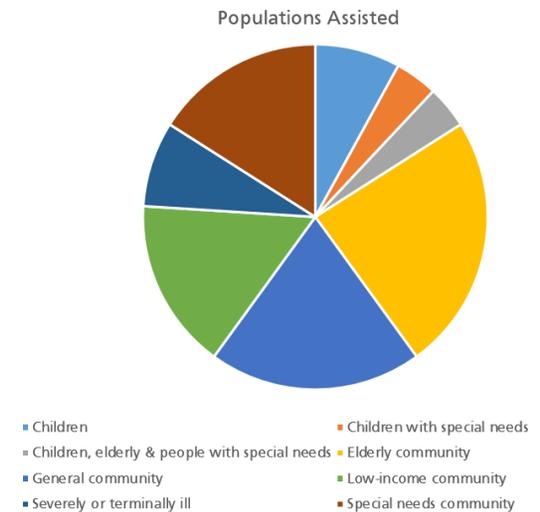
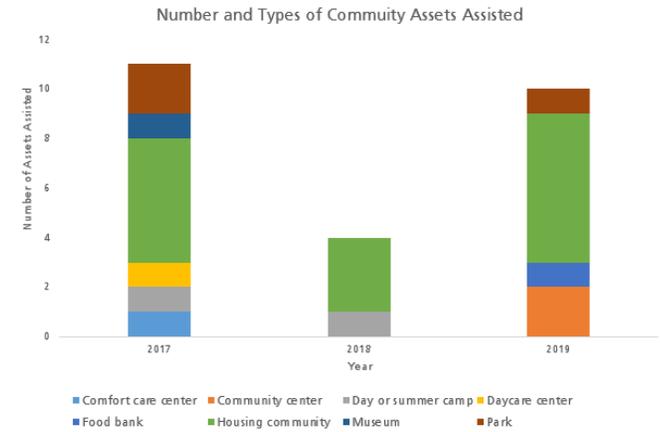
In 2017, Carestream employees formed a 16-person team that raised \$10,000 for the Rochester Tour de Cure fundraiser in 2017. The Tour de Cure is a fundraiser event held to support the American Diabetes Association. This was the eighth year that the

team has participated in the ride.

Carestream also participated in Rochester's 27th Annual JP Morgan Corporate Challenge event in 2017. More than 7,400 participants from over 300 companies and organizations fielded teams for the challenge.

The Corporate Challenge is a 3.5 mile event to support the company's commitment to wellness and encourages employee camaraderie. Carestream has participated as a company for 10 years. It brings local awareness to our brand, promotes a healthy lifestyle, and supports our local not-for-profit organizations. This year's event raised money for the Hillside Work-Scholarship Connection and Catholic Family Center. The event took place within the Rochester downtown area, starting and ending at Frontier Field, right next to Carestream's headquarters.

United Way Day of Caring 2017-2019



▼ World Purchasing team planting vegetable gardens at Episcopal Life of Rochester Senior Independent Living Community in 2019.



“Our team takes pride in doing this project each year, and with the relationship that has been built, it shows how important it is to our company to be in the community, and truly putting the word ‘Care’ in Carestream.”
— World Purchasing Team employee



▲ JP Morgan 2018 Corporate Challenge participants.

▲ XRS Business team that volunteered to assist with outdoor maintenance activities at Providence Housing Properties at Holy Rosary in 2019.

Golden Bridge International Caring Games

Our Shanghai facility participated in the Golden Bridge International Caring Games, an 8 kilometer race. The Carestream team raised money to help support two seriously ill employees.

This event also helps to promote the health of employees and bolster development of teamwork and cross-functional collaboration.

Collection and Resale of Secondhand Goods for Charity

Our Shanghai facility also hosted a charity event. Employees donated their secondhand goods, such as books, kitchen appliances, pictures, and other gently used goods, and they held a sale of the goods to raise money for charity.

Once again, the proceeds from the event went to help support the two seriously ill employees. Additionally, the collection of used goods helped to reuse these goods rather than landfilling them, helping to protect the environment.



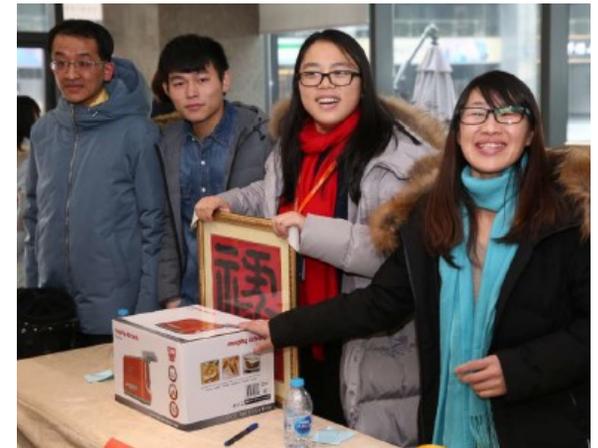
▲ Our employees who participated in the Caring Games, aka. Team Carestream



▲ Team Carestream running across the finish line.



▲ Our resale fundraiser event



▲ Our resale fundraiser event

Individual Employee Volunteer Activities

Not only does Carestream coordinate annual volunteer events for their employees to participate in, but employees will also frequently engage in individual volunteer activities.

Living Waters for Guatemala Trip

In 2017, one Carestream employee participated in volunteer work with Living Waters for the World (LWW), an organization whose mission is to provide sustainable clean water to underdeveloped communities.

The Carestream employee travelled to Guatemala with a LWW group from Texas to install water systems and ensure existing water systems were functioning properly. During the trip, the group visited four churches, an orphanage, a school, and a clinic to examine water systems, but they found that these systems were not safe.

The group installed new filtration systems and provided training on for operators on how to use, clean, and maintain the system. Additionally, the public was trained on why it is important to use filtered water and when it is appropriate to use filtered water. The sites are also supported in developing a sustainable business model that allows them to afford supplies, consumables, and maintenance while still being charitable to the community.

School Field Day

One Carestream employee used their paid volunteer day to help put on a School Field Day at their child's school, the E. L. Bouie Theme School, in 2017.

At Carestream, we encourage people to find causes to support that they are passionate about, and we understand

how important parent involvement is in local area schools for developing well-rounded students, as well as



▲ A clinic assisted by Living Waters



▲ Water filtration system installed for Living Waters

reinforcing educational and social skills.

The employee recounted, "As a parent, I know that educators can only do so much. As a parent, it is our role to be the first teacher and constant educator for our kids. I am glad that Carestream recognizes that work life balance is critical for employees."



▲ Children who participated in the school field day

Project Healing Waters

A Carestream employee in White City, Oregon regularly volunteers with Project Healing Waters. The national organization is uses fly fishing and associated activities as a way to physically and emotionally rehabilitate active military service personnel and disabled veterans.

In Spring 2017, our employee assisted with an event that was held with twelve disabled veterans from a the local veteran rehabilitation center. Various classes were provided to the veterans to teach them the basic skills and knowledge required for fly fishing, such as a class about the equipment of fly fishing and another about entomology and bugs.

After the classes, there was a day outing of fly fishing with the veterans at the Lake Selmac Resort in Grants Pass, Oregon. The veterans caught a number of bass, trout, crappie, and bluegill. Afterwards, the volunteers and veterans had a barbeque on the lake and recounted fishing stories from the day.

Turn the World Around through Music

Music is a powerful vehicle that can be used to culturally, morally, and emotionally influence society. When people connect with the music, it can have a profound impact on how they see the world.

Carestream employee Janice Evers is a member of Jefferson State Choral Coalition (JSCC), a non-profit choral group that performs jazz and pop pieces in the southern Oregon.

Janice recently performed with JSCC and other US and International Choirs at Carnegie Hall in June 2019. The combined choir sang a new seven-song piece by Dr. Kirby

Shaw, a well-known composer, and Markita Shaw called "Turn the World Around." The choir's performance was part of a Masterworks series put on by Manhattan Concert Productions.

"JSCC focuses on positivity and human empowerment, and the new work we sang at Carnegie was all about that. There's never a time I don't come out of rehearsal feeling great and with all the cares of the world put aside because of the great vibe with the group," Janice explains.

Janice recounts her experience as a positive one: "Carnegie was a fantastic experience. The venue acoustics are amazing, as well as the history, of course. To combine all the choirs we rehearsed for several hours each day for two days, and then we had two short rehearsals on the day of the show. It was exhausting but so very rewarding. We got a standing ovation and it was simply incredible."

"Music is a powerful thing that reaches both the listener and the performer.

I often am moved to great joy and tears just as much as the audience. Dr. Shaw tells stories of people who were very depressed and despondent that have come up to him after listening to the choir or being in a workshop that have said – this music saved me, helped me. It's a privilege to work with great people like the Shaws and a great choir like JSCC."



▲ Carestream employee Janice Evers standing in front of Carnegie Hall

OUR PEOPLE

Our people are our greatest asset. They are our source of innovation and creativity, and they define who we are as a company.

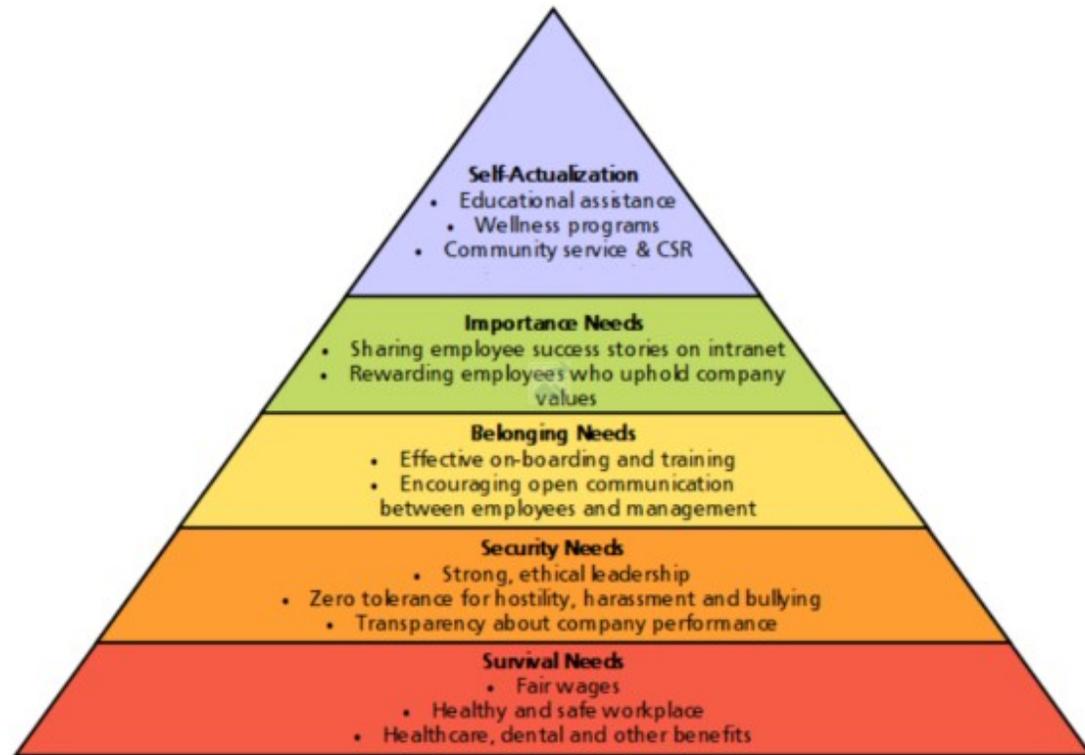
MANAGEMENT APPROACH

Why Carestream Cares

Abraham Maslow theorized that people have various types of needs, which need to be fulfilled successively to achieve self-actualization.

Industry is beginning to realize the connection between occupational health and safety and employee productivity. Employees who are healthier can better perform their jobs, and healthy and safe employees are typically more motivated.

The type of work environment a company creates directly affects how employees perform their jobs. Employees who are healthy and safe, happy, and feel valued are more productive and innovative. Companies can contribute to employee self-actualization in a number of ways, and Carestream has employed many of these strategies to help employees reach self-actualization.



▲ How our business activities contribute to self-actualization of our employees. Adapted from blog post, *How Company Culture Shapes Employee Motivation*.

Available online: <https://www.tamrecruiting.com/blog/how-company-culture-shapes-employee-motivation>

Our Approach

At Carestream, we place a high value on keeping our employees health and safety, and fostering a culture of empowerment, innovation, and productivity.

Carestream has a long history of protecting the health and safety of its employees. Our EHS & sustainability management system...

We also provide our employees with several benefits, including medical, dental, life insurance, and vacation, as well as career development programs and work-life programs that help employees balance work and personal responsibilities.

Overview of Priority Issues

- **Fostering a culture of respect, engagement and empowerment**—Supporting career development through continued education and training.
- **Employee health, safety & wellness**—Reducing injuries and illnesses, and offering activities to improve employee wellness.
- **Building our talent pipeline**—Supporting the education and development of future professionals through our internship program and graduate development program.

Risks

- Employee injury or illness
- Workers compensation and other direct and indirect costs from employee injury or illness
- Dissatisfied workforce and poor employee retention
- Lack of talent to fill open positions

Opportunities

- Productive and motivated workforce
- Reduction of direct and indirect costs from employee injury or illness

Related SDGs

Carestream aims to contribute to achievement of the following Sustainable Development Goals through its business activities:



- SDG 3: “Ensure healthy lives and promote well-being for all at all ages.”
- SDG 4: “Ensure inclusive and equitable quality education and promote lifelong learning.”
- SDG 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”



FOSTERING A CULTURE OF RESPECT, ENGAGEMENT & EMPOWERMENT

Carestream recently created a Chief Culture Officer position to help create a better work environment by fostering a culture of respect, engagement, and empowerment. The Chief Culture Officer facilitated the development of a new company mission, vision, and values. As part of these changes, Carestream will be transitioning to a performance evaluation system that considers both if performance goals are met and the means by which the goals were achieved, specifically, how these means align with our goals and values.

This new performance evaluation system is being piloted with our Executive Leadership Team first. How the Executive Leadership Team performs will, in part, determine their compensation. If they are not meeting their numbers, and not meeting them in a way that aligns with our company values, they will be held accountable.

Then, over time, the performance evaluation system will be cascaded down and be used for all of our employees. This approach will help Carestream to ensure it has greater accountability for its actions, and helping to prioritize our values over simply meeting our numbers by any means.

Our first new value, empowerment and engagement, focuses on helping our employees to reach their full potential. Continued education and vocational training is a large portion of this.

One of the most common ways we support continued education and vocational training is through professional certifications related to quality.

We support our employees in achieving external professional certifications, such as Lean Six Sigma (LSS)

Yellow, Green, and Black Belts. Additionally, we have internal professional certification programs, the Quality Advocate Program and our recently developed Yellow Belt Program. These tools are transferrable to any role, including sustainability. Some of our sites have even integrated “environmental wastes” and “safety wastes” into their quality tools to help identify ways to reduce these wastes during process improvement projects.

Employee engagement and empowerment affects our ability to meet our other values, making it a core business objective.



▲ How employee Engagement and Empowerment supports the achievement of our other business values.

Quality Advocate Program

The Quality Advocate Training is a one day certification course to teach employees Transactional Lean and Six Sigma tools they can apply to their roles. The course covers basic principles of quality improvement and demonstrates the application of those principles, spending a half-day on Six Sigma training and a half-day on Lean training.

In order to receive their certification, employees must apply one of the tools they learned about in the training to solve a small problem or improve efficiency in their everyday work. A majority of Carestream employees have undergone this quality advocate training.

Yellow Belt Program

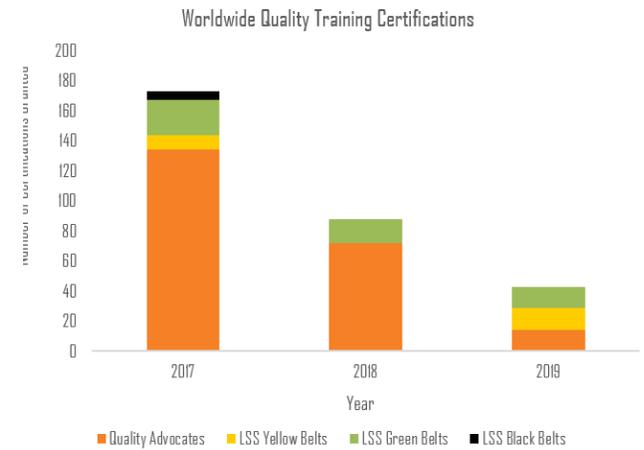
Carestream recently piloted a Yellow Belt certification program that teaches employees the LSS philosophy, principles, and tools. By adding team skills and a project management framework, candidates are prepared to lead projects around continuous improvement, increasing customer satisfaction, reducing waste, and eliminating bureaucracy.

The Yellow Belt program was initially pilot began in the APAC region in Spring 2019. Over three days in April 2019, fifteen selected employees completed constructor-led in-class training. Each candidate has identified a business improvement opportunity to apply Yellow Belt processes and tools to demonstrate a business benefits within a few months of completing the program. Certification is contingent on an individual's successful completion of the training and their project.

Additional pilots were conducted in August and September 2019 at our facilities in Mexico, Argentina, and Brazil.

Examples of Yellow Belt candidates' projects include:

- Reducing the number of hours to resolve a customer's service request,
- Reducing times for regulatory approvals,
- Minimizing the company's tax burden, increasing contract renewals, and
- Optimizing office space utilization.



▲ Yellow belt candidates that participated in the pilot program in our APAC region.

EMPLOYEE HEALTH, SAFETY AND WELLNESS

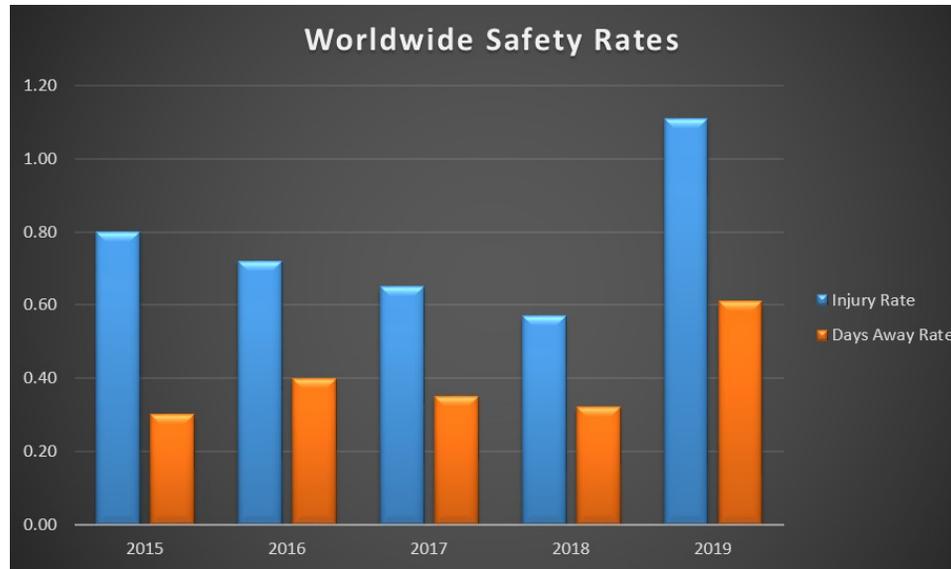
Carestream always puts safety first. Since our people are our greatest asset, it is essential that we create a safe and healthy work environment. We have implemented a voluntary environmental, health, and safety management system (EHSMS) that is used to manage health and safety compliance and proactively improve our performance.

Corporate and chemical-intensive operations in the United States and Mexico have an ISO 14001 certified management system, and operations in China have an OHSAS 18001 certified management system. The EHSMS manages legal compliance, as well as activities that go beyond compliance to improve our EHS performance.

Employees training is decided using a training matrix. Corporate and sites have two different training matrices. One training module teaches employees general EHS & sustainability awareness, including an overview of our ISO 14001 certified EHSMS, and includes an assessment to ensure employee competency. Employees may also voluntarily take any of the EHS training courses through our online training platform. All training is completed during paid work hours.

We perform a manufacturing EHS assessment for all new products to consider potential occupational hazards. We employ the Hierarchy of Controls when mitigating and controlling occupational hazards.

Annual audits are conducted for compliance with laws and regulations, and conformance with management system standards. More information on our site audit process can be found in the Responsible Business



Description: Occupational Injury Rate represents the rate at which injuries have occurred per 100 employees. Similar (US) industry median benchmark is a rate of 2.4. Corporate intent is to

Practices section. For any audit findings, we conduct a Root Cause Analysis and develop a corrective action plan to eliminate the hazardous conditions. A similar process is used for addressing health and safety incidents in the workplace, which also requires a Root Cause Analysis and corrective action plan.

Audit findings and corrective action planning are communicated to the Executive Leadership Team during our annual review.

We perform the Root Cause Analysis until we identify a

systems issues that can be addressed, i.e. how we can improve our management system to prevent future occurrences. Additionally, we regularly communicate

BUILDING OUR TALENT PIPELINE

Partnering with Local Universities

Carestream cannot only focus on education and vocational talent for its current workforce. We must also build our talent pipeline to ensure we can recruit the top talent. One of the main ways that Carestream does this is through internships and projects for students.

For example, Carestream works collaboratively with Colorado State University on EHS-related projects. In 2017, Carestream sponsored 3 senior-level students to conduct research on reducing the concentration of bromide in wastewater. The students obtained approval from CSU to use the project as their senior design project.

In 2018, Carestream worked with the CSU Educational Research Center (ERC) Interdisciplinary Symposium class in a joint effort to improve the occupational safety climate at Carestream.

The ERC project focused on evaluating and developing new employee training with the thought that effective safety training establishes the foundation for a safety-wise company culture.

ENVIRONMENT

Managing our operations in a way that protects the environment, generates cost savings, and mitigates risk.

MANAGEMENT APPROACH

Why Carestream Cares

The world is suffering a number of environmental problems, all of which could eventually lead us to environmental catastrophe. We are depleting resources and causing immense amounts of pollution.

Industry is responsible for a large proportion of this resource depletion and pollution. In order to avoid environmental catastrophe, companies must find ways to mitigate the impact of their business activities.

Industry contributes to exploitation of natural resources, water depletion and pollution, biodiversity loss and wildlife endangerment, invasive species, land degradation and desertification, solid and hazardous waste production, climate change, acid rain and ocean acidification, and so on.

Carestream's Approach

Carestream understands that we are reliant on the environment. Without raw materials and ecosystem

services, we would be unable to produce our life-saving products and services. We must be stewards of the environment.

We recognize it is not possible to eliminate these impacts, but we work to lessen our negative impact and find ways to alter our business practices to instead have a neutral or positive impact on the environment.

By improving our environmental performance, we can protect the environment for current and future generations, generate cost savings, and mitigate operational risks.

We manage our environmental performance through our ISO 14001 environmental management system.

Overview of Priority Issues

- **Energy**—Reducing energy use and improving efficiency, and encouraging transportation and distribution companies to optimize their routes and employ fuel saving technologies.
- **Water**—Reducing water use and improving efficiency, increasing water reuse, and managing wastewater,

especially in high water risk areas.

- **Material scarcity & waste**—Reducing waste and increasing reuse of waste materials, and substituting restricted materials for less harmful materials.
- **Air emissions**—Reducing and managing air emissions.
- **Climate resilience**—Assessing climate risks and developing strategies to mitigate risk and prepare for, respond to and recover from disasters at critical facilities.

Risks

- Unsustainable demand and natural resource scarcity
- Actual resource use is more than forecast
- Failure to realize saving opportunities for reducing resource use and pollution and increasing efficiency
- Increasing costs of resources, such as energy
- Damage to environmental receptors
- Future regulations, such as cap and trade
- Public health issues
- Losses from weather and climate-related disasters

Opportunities

- Increased resource use efficiency
- Cost savings from reducing resource use, reclaiming materials, and reducing pollution
- Cleaner environment
- Better reputation with stakeholders
- New product development
- Design and implement climate risk mitigation, preparedness, response, and recovery plans at critical facilities to provide products and services when competitors are unable to

Related SDGs

Carestream aims to contribute to achievement of the following Sustainable Development Goals through its business activities:



- SDG 6: "Ensure availability and sustainable management of water and sanitation."
- SDG 7: "Ensure access to affordable, reliable, sustainable and modern energy for all."
- SDG 11: "Make cities and human settlements inclusive, safe, resilient and sustainable."
- SDG 12: "Ensure sustainable consumption and production patterns."
- SDG 13: "Take urgent action to combat climate change and its impacts."

ENERGY USE

With the threat of climate change becoming ever more imminent, it is essential that we transition away from fossil fuels. The energy landscape has already begun to reflect this transition, with a decline in use of high carbon fuels, such as coal, and the increased use of renewables.

The cost of renewable energy is declining, and the use of batteries to store this energy is becoming more effective. Many municipalities are investing in storage facilities to support a grid more heavily reliant of renewable energy (cite Elizabeth Weise USA Today article).

Currently, many areas of the U.S. still rely heavily on natural gas. Although, it is likely that falling renewable energy prices will fall below the price of natural gas, leading to the decline of natural gas consumption.

Carestream currently uses fossil fuels to power and heat its facilities. As mentioned previously, by 2025 we plan to investigate potential high impact projects for reducing our energy consumption and transitioning to renewable energy sources. This will help us to understand where it is feasible for us to invest in renewable energy solutions, and it will provide us with the necessary information to set realistic and measurable renewable energy targets.

To date, Carestream has primarily focused many of its efforts on reducing its energy intensity (i.e. energy use indexed to revenue).

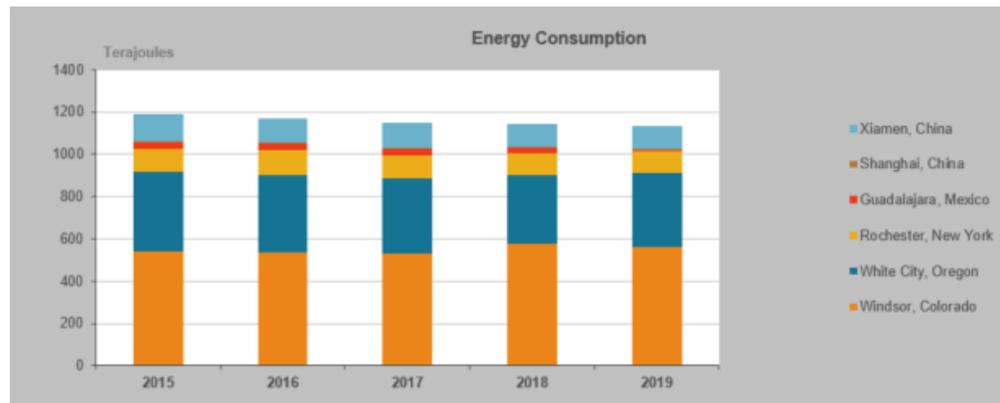
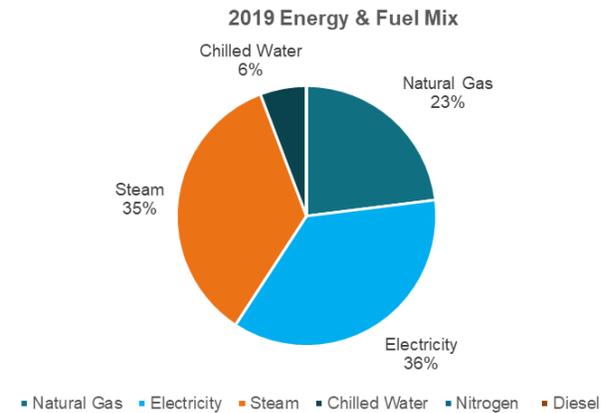
For example, our Colorado facility installed a variable frequency drive on a desuperheater, a piece of equipment used to cool steam, that reduced annual energy use by 72,544 kWh per year. The amount of energy saved is the

equivalent to the energy used to power 160 average U.S. homes for a month, and this is just one of many projects.

Our Oregon facility has been working with a non-profit organization, Energy Trust of Oregon, to improve their energy-efficiency since 2008. Through completion of multiple projects throughout the years it is estimated that the usage of 2,698,171 kWh will be saved annually. This in turn will avoid the production of 1,282 tons of carbon dioxide.

We are also supporting the improvement in battery efficiency and longevity, as mentioned previously in our Product Design & Innovation section.

Since Carestream plans to invest in growth into new market segments in the coming years, a focus on reducing total energy consumption is not realistic or representative of our performance. If our share of the market grows, then our total energy use should increase. However, the amount of energy consumed to produce each product should decrease, which is why our energy goals focus on intensity measures.



WATER SCARCITY & QUALITY

Water is a critical resource used in manufacturing of medical and dental equipment. Water is used in the manufacture of products, for building refrigeration, and for sanitary use (washrooms). Water scarcity and pollution could pose a significant threat to Carestream.

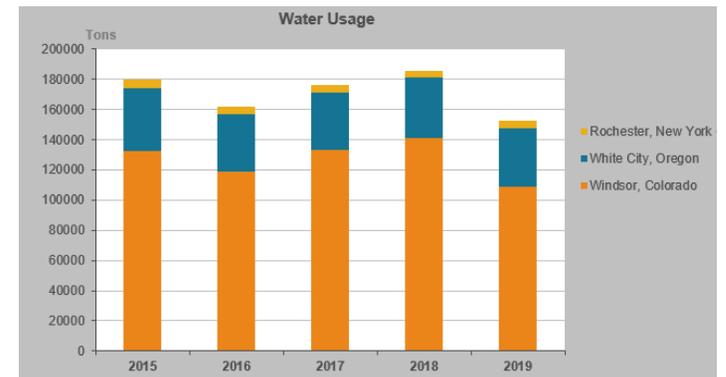
Water risk was evaluated using the World Resource Institute (WRI) AQUEDUCT Water Risk Atlas. Water risks is a combination of various factors, including physical water risk, X water risk, and regulatory and reputational risk.

The first table below shows the level of water risk for each facility by types of water risk from the Water Risk Atlas. Carestream’s facilities in Windsor, Colorado and Guadalajara, Mexico are located in Medium to High Risk areas, and the Shanghai, China facility is located in a High Risk area.

Although, Carestream is taking action to reduce water use and pollution. The figures below display our performance...

Additionally, Carestream recognizes that since water is a shared resource it is important for us to engage in local water conservation and management efforts. We engage with local stakeholders, particularly in water stressed areas such as Colorado, to ensure water stewardship.

Site	Overall Water Risk	Physical Risk Quantity	Physical Risk Quality	Regulatory & Reputational Risk
Rochester, New York	Low to medium risk	Low to medium risk	Medium to high risk	Low risk
Windsor, Colorado	Medium to high risk	High risk	Extremely high risk	Low risk
White City, Oregon	Low to medium risk	Medium to high risk	Low to medium risk	Low risk
Guadalajara, Mexico	Medium to high risk	Low to medium risk	High risk	Low to medium risk
Shanghai, China	High risk	High risk	High risk	Medium to high risk
Xiamen, China	No data	No data	No data	No data



Description: Water usage consists of water used in the manufacture of products, for building refrigeration, and for sanitary use (washrooms)

On-site Stormwater Treatment

Typically, stormwater will either infiltrate into the ground, is carried to a surface water body, or goes down a stormwater drain. Stormwater runoff often collects sediments, oil, fertilizer, and other pollutants that can harm aquatic ecosystems. Stormwater drains generally do not go through wastewater treatment and are sent directly to surface water bodies. Sediment can clog waterways, fill lakes and reservoirs, kill aquatic animals, and so on.

To reduce our environmental impact, we have built a bioswale at our Oregon facility to help clean its wastewater. Bioswales are landscape features that slow, collect, infiltrate, and filter stormwater to clean stormwater. By slowing the runoff, bioswales also prevent erosion, which can cause additional sediment pollution.

Not only does the bioswale have environmental benefits, but it also is a more socially valuable solution. Bioswales provide various ecosystem services that help to improve public health. Additionally, they are more aesthetically pleasing than traditional grey infrastructure solutions.

On-site Wastewater Treatment

Our Windsor, Colorado and Guadalajara, Mexico are currently very high and high water quality risk areas. This means that these areas have a high risk of having water quality issues in the future, which may impact short or long term water availability.

Our Colorado facility has treated its wastewater on-site for many years, and recently we began construction on a wastewater treatment plant at our Guadalajara facility in

2019. Wastewater treatments improves the quality of our wastewater and allows the facility to discharge its wastewater in the sanitary system rather than as hazardous waste. Our facility will be doing its part to help reduce water quality risk in the area.

Wastewater Reuse and Recycling

For many years, Carestream has reused and recycled water used in its manufacturing processes and operations, and we continue to explore opportunities to expand its reuse and recycling.

For example, at our facility in Guadalajara, Mexico, we recently started reusing water from our cooling tower for cleaning at the facility.

Participation in Local Water Planning and Management

Carestream proactively participates in the Lower Cache la Poudre River Monitoring Alliance Program. The Alliance joins together the cities of Fort Collins and Greeley, with the Town of Windsor, the Boxelder and South Fort Collins Sanitation Districts, Leprino Foods Corporation and Carestream Health in an ongoing collaborative effort to monitor and protect the Cache la Poudre River. Carestream also hosts the quarterly meetings.

Carestream also participates in the North Front Range Water Quality Planning Association, which uses collaborative regional planning, facilitation, and review to

ensure that present and future wastewater needs are met economically and with a focus on water quality protection.



▲ Image of Lower Cache la Poudre River Monitoring Program participants sampling. Available online: <https://www.fcgov.com/utilities/what-we-do/water/water-quality/lower-poudre-monitoring>

MATERIAL SCARCITY & WASTE

Scientists estimate that on August 1, 2018 that human resource consumption overshoot the amount of resources earth is capable of regenerating at the rate we consume them, which everyday since the earth has been plunging into ecological debt.

To make matters worse, according to the World Bank's 2018 *What a Waste 2.0* report, annual waste generation in the world's cities is expected to surge from 2.01 billion tons in 2016 to 3.40 billion tons in 2050. That's an increase of 70 percent. The upsurge is largely due to rapid industrialization, population growth, and economic development, according to the report.

However, because Carestream is environmentally sensitive in how we design our products and packaging, its waste can be significantly reduced and used as resources for producing other products. This both helps to address issues of material scarcity and waste.

Greener Packaging & E-Waste Recycling

In February 2019, we started introducing a more eco-friendly alternative to the white expanded polystyrene (EPS) foam trays that we have long used to secure our CARESTREAM DRYVIEW Laser Imaging Films during shipment to radiology facilities across the globe. While our first priority is ensuring customers' films are intact and ready to use, we looked for an alternative that would minimize waste.

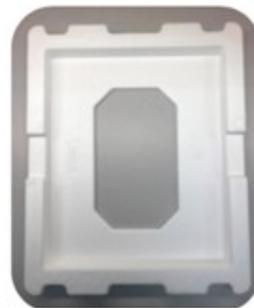
Our films are now shipped in corrugated cardboard trays that will help decrease solid waste disposal and provide fiber that can be reused. Since corrugated packaging also

provides the same excellent level of protection during shipment and handling as our previous configuration.

The use of corrugated cardboard trays will help decrease solid waste disposal and provide fiber that can be reused. This change is environmentally advantageous, as the corrugated tray is more easily recycled and prevalently accepted in recycling streams. The new packaging provides the same excellent protection during shipment and handling as the earlier used packaging configuration.

The greener packaging also comes in response to customers' feedback asking for more ecofriendly products. "We learned that our customers were keen on us taking up eco-friendly practices. Customers asked and we listened. We look at our growth from a sustainable perspective. These initiatives and partnerships will help us work towards that direction," said Mr. Sushant Kinra, Managing Director, Carestream Health India (P) Ltd.

The new packaging has already been rolled out for the 11X14 inch (28 X 35 cm) films with other sizes to follow.



White EPS Foam Tray



Corrugated Tray



Film Cartridge in Corrugated Tray

▲ New corrugated tray used for CARESTREAM DRYVIEW Laser Imaging Films

Waste Classification & Diversion

In June 2019, our Shanghai facility implemented a waste classification initiative to minimize landfilled waste and find ways to divert and reuse waste.

Waste is separated into four categories:

1. Hazardous waste (pink bin),
2. Recycling (blue bin),
3. Food waste (red bin), and
4. Residual waste (brown bin).



Diverting and reusing wastes helps to prevent material scarcity. Additionally, in the future, cities may struggle to continue to manage large amounts of waste. After a while, existing landfills will be filled and we may struggle to find other spaces to build new landfills.

In addition, separating waste helps to prevent environmental pollution and degradation. It is not uncommon for hazardous chemicals to accumulate in the leachate at the bottom of a landfill, and in some cases to infiltrate through protective barriers into groundwater and soil. By properly classifying wastes, we can prevent this sort of contamination.

Further, when food waste and other organic wastes are broken down in an anaerobic environment such as a landfill they release methane gas, a very potent greenhouse gas that contributes to global warming and climate change. By diverting this waste, it can be composted and used as a soil conditioner for agriculture, or it can be anaerobically digested. Anaerobic digestion also produces soil conditioner and captures the methane gas to later be used as a fuel.

Although, just providing the bins does not guarantee that employees will use them properly. There also must be a behavioral change. To facilitate this behavioral change, we have implemented a training program to educate employees on the new systems and ensure they dispose of waste correctly.

National Survey of Industrial Pollution Sources

Our Shanghai facility is also an active participant in the National Survey of Industrial Pollution Sources. The survey examines actions taken by industrial facilities to protect the environment and contribute to sustainable development.



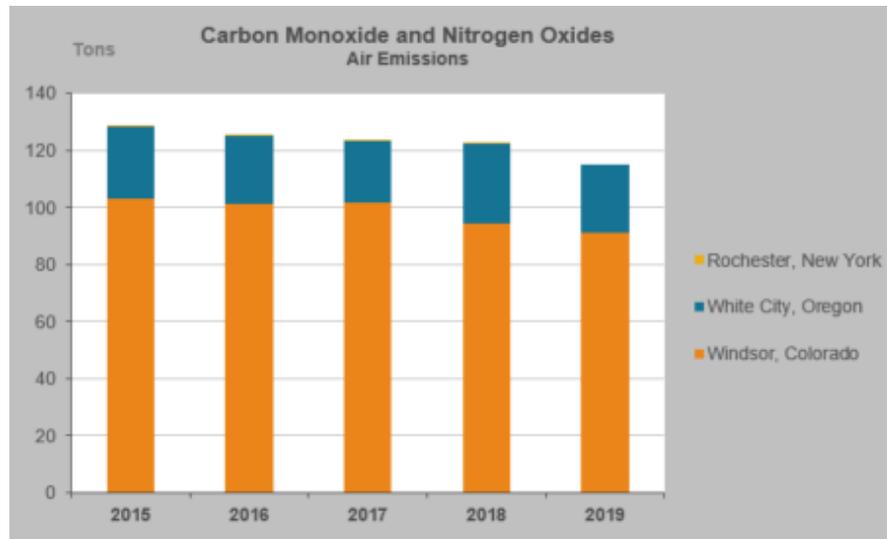
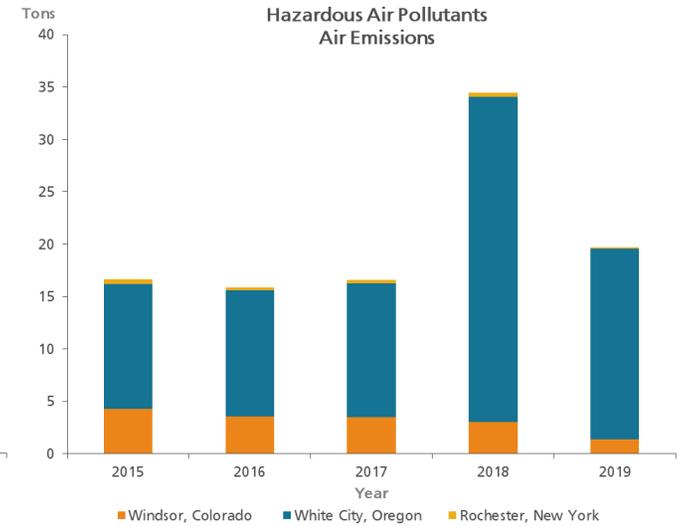
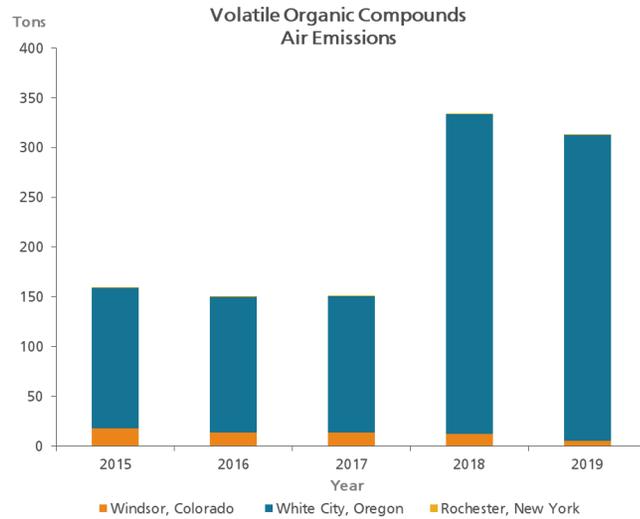
AIR EMISSIONS

Air emissions can pose a serious threat to public health if they go unmanaged.

Carestream produces air emissions primarily through its chemical processes for tollcoating division. As solvent evaporates it produces various gases that can be harmful, such as sulfur volatile organic compounds (VOCs), hazardous air pollutants (HAPs), nitrogen oxides (NOx), and carbon monoxide (CO).

Carestream has installed control devices to help manage these emissions and prevent air pollution. In addition, we are currently exploring opportunities to eliminate the use of solvent, thereby eliminating these sources of air emissions.

We also have a project underway to integrate chemical tracking at our various sites and thereby improve our ability to track chemicals across the company. This project will help us to better understand our air emissions so that we can improve environmental compliance and identify opportunities to improve our performance.



CLIMATE ACTION

In 2015, countries around the world met to discuss climate change at the United Nations Framework Convention on Climate Change (UNFCCC). The Paris Accord was drafted at this convention, outlining a roadmap for the international community to combat climate change. The primary objective of the agreement is to keep global warming “well below” 2 degrees Celsius, and preferable below 1.5 degrees Celsius.

To do this, the world will need to reduce greenhouse gas emissions by 41% - 72% by 2050. Carestream will work to do its part in achieving these emission reductions, and to start driving this reduction we have set a goal for 2025 to reduce greenhouse gas emissions 10% compared to 2015. Over time, Carestream will adopt more aggressive goals for greenhouse gas emission reduction.

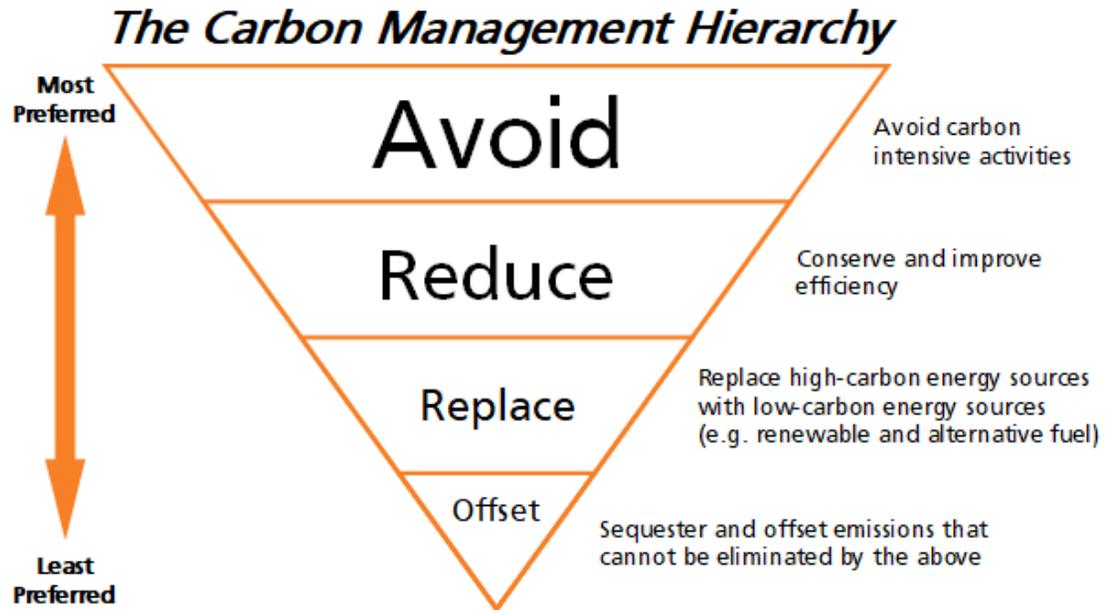
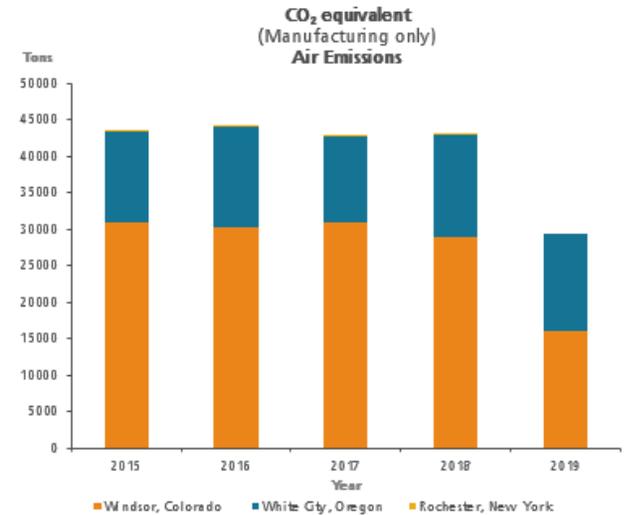
Although, even if the world is able to achieve this goal, we are still “locked-in” for some degree of warming from the greenhouse gas emissions already emitted.

Therefore, Carestream is taking action to both reduce greenhouse gas emissions and mitigate climate change risks for its major manufacturing and R&D facilities.

Mitigation

Various projects have been implemented to achieve these reductions in facility greenhouse gas emissions, primarily through energy conservation and efficiency projects. In addition, Carestream encourages its suppliers, and transportation and distribution companies to reduce their emissions.

Information on these projects can be found in the Energy Use priority issue section.



▲ Carbon Management Hierarchy adapted from *The State of Sustainability in Higher Education 2015: Emissions Metrics, Consumption Trends & Strategies for Success*.

Available online: <https://sustainablenh.unh.edu/sites/sustainablenh.unh.edu/files/media/>

Adaptation & Resilience

Climate adaptation and resilience (A&R) is a relatively new concept industry has begun to grapple with. To date, most efforts of industry targeted climate change mitigation to eliminate the potential threat. Although, since we now understand that climate change is unavoidable, action is now being taken to prepare for the impacts.

Failure to take any action has the potential to be very costly, especially as severe weather and climate disasters become more common. From 1980 to 2019, there have been 250 weather and climate disasters that have exceeded \$1.7 trillion in economic losses.

As a first step, Carestream has begun to consider the types of physical climate risks our major facilities will face from climate change. Once we understand these risks, we are able to make informed decisions on how of to manage them.

After we develop plans to manage these risks we will begin to consider how to manage transition risks, i.e., and seek additional ways to exploit opportunities. We are currently focused on improving resource efficiency, which enhances our resilience and community resilience.

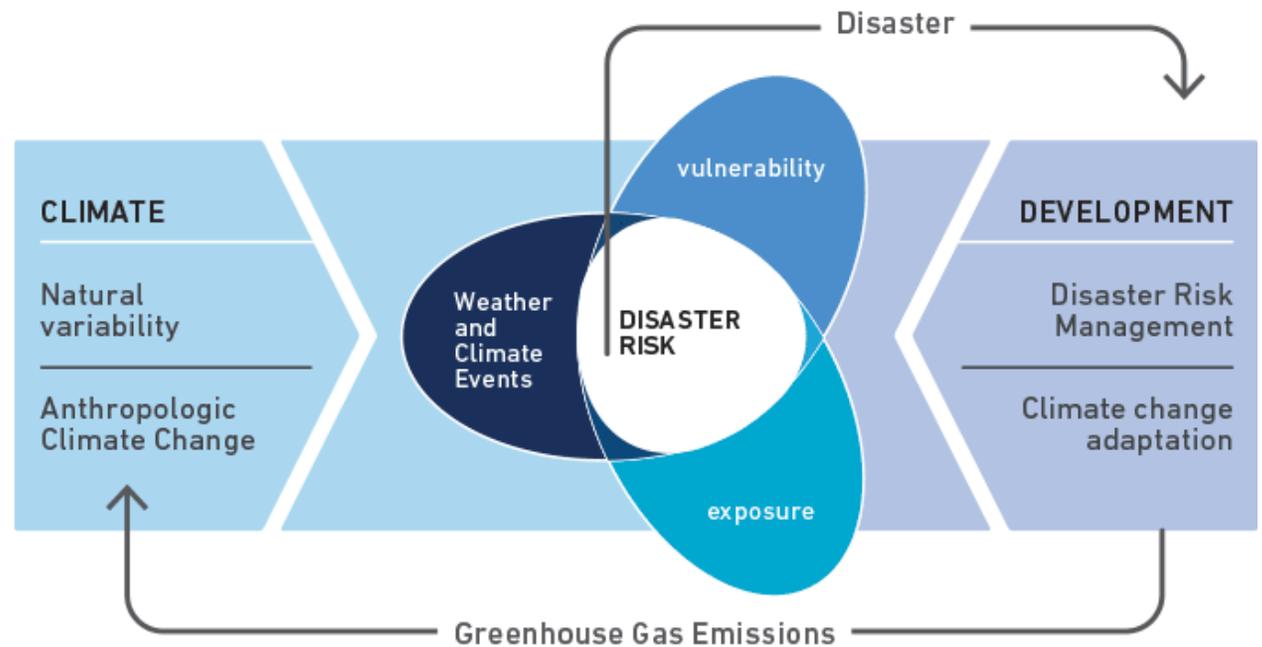
For example, our Guadalajara facility recently installed an automated lighting system that reduces its energy consumption. Additionally, the facility altered its production schedule so that its machines run during non-peak hours. This project reduces energy costs since non-peak hours have lower rates. It also improves energy resilience by helping to reduce spikes in energy use. During heat waves, in particular, there are often energy spikes when a lot of buildings use air conditioning.

Energy spikes can result in brownouts and blackouts, which poses a potential threat to our operations. Since the area is expected to experience an increase in average annual temperatures and more frequency heat waves, by consuming less energy and consuming energy during non-peak hours we are helping to prevent these potential brownouts and blackouts, and thereby improving our resilience.

Another way in which Carestream contributes to community resilience is through our products that improve access to care and affordability contribute to improved public health. People that are healthy are better able to cope with disturbances, such as heat waves and natural

disasters.

Future opportunities will focus on areas such as climate resilience investments and finance.



▲ Illustration of the risk of climate change impacts that results from the interaction between climate change hazards, vulnerability, and exposure. Source: IPCC 2014 (Fifth Assessment Report, Working Group 2, Chapter 19, Figure 19-1).

RESPONSIBLE BUSINESS PRACTICES

Conducting our business activities in a responsible and ethical manner.

MANAGEMENT APPROACH

Why Carestream Cares

Carestream conducts its business in a way that is ethical, considering our impact on the environment and community, in addition to being a good employer and growing our business.

We must ensure that we are conducting our business in compliance with laws and regulations and in conformance with voluntary standards, while also respecting international norms of behavior.

Carestream's Approach

As mentioned in the Our People section, we are implementing a new system for evaluating performance of our Executive Leadership Team, and eventually all of our employees. Carestream Cares not only about meeting our numbers, but also about *how* we meet our numbers, and our performance evaluation system will now reflect our commitment to our values.

Most companies claim that they care about ethical business practices, but they only look at outcomes, failing to consider the process by which those outcomes were achieved. Since responsible business practices are a significant when discussing corporate sustainability, we must also consider the processes used to achieve outcomes and measure our performance for our processes, as well. In future reports, we plan to discuss our process performance after our new performance measurement system is implemented by our Chief Culture Officer.

In this report, we discuss our responsible business practices and the outcomes from exercising these responsible business practices, specifically in regard to

EHS compliance and supply chain management.

Priority Issues

- **Compliance**—Ensuring compliance for labor & human rights, environmental, health & safety, products, and anti-corruption.
- **Supply chain management**—Influencing suppliers to improve their environmental performance, as well as ensuring compliance with Carestream's EHS Supplier Expectations.

Risks

- Noncompliance
- Damage to environmental receptors
- Employee and public health
- Permit exceedances and fines
- Loss of license to operate

Opportunities

- Cleaner environment
- Better reputation with customers and community
- Cost savings and cost avoidance from improved performance

Related SDGs

Carestream aims to contribute to achievement of the following Sustainable Development Goals through its business activities:



- SDG 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."
- SDG 11: "Make cities and human settlements inclusive, safe, reliant and sustainable."
- SDG 12: "Ensure sustainable consumption and production patterns."

Compliance

Labor and Human Rights

Carestream is committed to upholding the human rights of employees, and to treating them with dignity and respect according to international norms of behavior, laws, regulations, and standards, as well as our internal policies. We strive to create a work environment that is free from unlawful discrimination and harassment in any form. Carestream is an Equal Opportunity Employer (EOE), and it is the policy of Carestream to comply with all applicable industry codes, including anti-trust, anti-boycott, anti-bribery, and anti-corruption laws.

Our policies on Labor and Human Rights are described in our Business Conduct Guide and in supplementary documents that are readily available to employees in our online database for governance documents. Business Conduct training is required for all employees globally, and in the United States employees are required to take EOE training annually.

In order to ensure that our facilities are in compliance with Carestream's expectations for business conduct, we conduct internal audits to evaluate our performance.

Product Compliance

During our product commercialization process, Carestream performs a comprehensive EHS and Sustainability product assessment. This assessment is intended to ensure compliance with international laws and regulations, as well as to eliminate potential hazards in manufacturing and service of products and ensure Design for Environment principles and Societal Value are incorporated into product design.

For example, our assessment ensures that products comply with European Union directives, such as the for Registration,

Evaluation, Authorisation, and Restriction on Chemicals (REACH) directive and Restriction on Hazardous Substances (RoHS) directive.

RoHS restricts the use of the following substances: Lead, Mercury, Cadmium, Hexavalent Chromium, Polybrominated Biphenyls, and Polybrominated Biphenyl Ethers. REACH is more focused on transparency, requiring manufacturers to identify any 'substance of very high concern' (SVHC). If a SVHC is greater than 0.1%, it must be disclosed to purchasers by the vendor.

All suppliers are required to submit REACH and RoHS declarations prior to product commercialization to ensure that our products are REACH and RoHS compliant. Additionally, semi-annual audits are performed to determine if any changes were made to the product and ensure the product is still in compliance with REACH and RoHS.

Site Compliance

Carestream conducts annual audits to ensure compliance with laws and regulations, as well as conformance with the ISO 14001 standard. Audits are conducted both by internal and external parties.

There are four types of audits covered by Carestream's EHS audit program: on-site compliance audits, virtual compliance audits, compliance gap assessment, ISO 14001 audits (and OHSAS 18001 audits in China), renewal and real estate pre-assessments, closure assessments, and TSCA compliance effectiveness checks. Compliance audits examine whether Carestream complies with EHS laws and regulations. Compliance gap assessments look for additional compliance areas that Carestream should be managing, particularly as laws and regulations are promulgated or amended.

The audit schedule is developed based on a risk assessment. High-risk sites are audited more frequently and are performed on-site, whereas low-risk sites are audited less frequently and performed virtually.

Findings are categorized as minor, major, and critical, which require different degrees of action. Minor findings are those which are areas where there opportunities for continuous improvement. Major findings are those which require some improvements be made to the existing EHS

management system, and critical findings are those which require key actions that alter the EHS management system.

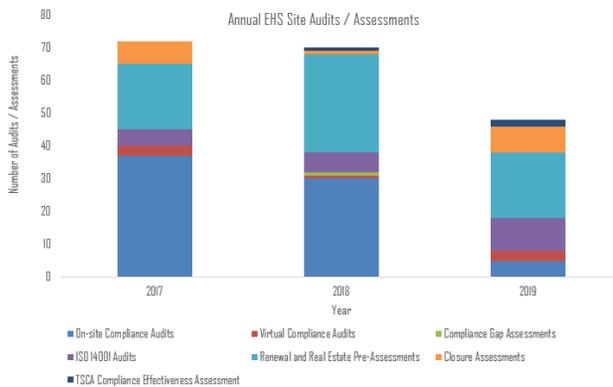
Anti-Corruption Compliance

Carestream is committed to conducting its business in full compliance with all applicable anti-corruption laws. This commitment is reflected in the Company’s Business Conduct Guide, Anti-corruption and Anti-bribery Policy, employee training programs and internal audit activities.

The company also engages in due-diligence activities to help ensure its distributors do not engage in corrupt business practices and mandates strict compliance with anti-corruption laws in its distributor contracts. If instances of noncompliance are found, the root cause is identified and recommendations are made to management to remediate the instance of noncompliance. Follow-up audits are required for sites where overall unsatisfactory reports are issued.

Supply Chain Management

Our sustainability commitment at Carestream extends



beyond our facilities. Carestream has a network of suppliers that provides Carestream with the materials used in the manufacturing of our products. At Carestream, it is important that our suppliers uphold our high standards for quality, and conduct themselves according to the Code of Conduct by the Electronic Industry Citizen Coalition (EICC).

The Carestream Supplier Code of Conduct is intended to supplement our Environmental, Health and Safety Policy, Business Conduct Guide, Corporate Purchasing Policy and Supplier Quality Process. Suppliers are also expected to report on conflict minerals and to include declarations for packaging, battery and restricted material compliance.

Carestream designs its equipment to comply with the European “Restriction on Hazardous Substances” (RoHS) and avoids the use of conflict minerals in our products. We also hold our suppliers accountable for meeting these standards. And while it is not required, suppliers are strongly encouraged to have a Quality Management System in place that meets ISO 9001 standards. Our Supplier Manual outlines our supplier expectations.

Carestream expects that its suppliers will conduct their business in compliance with their local environmental, health, and safety regulations. Products supplied to Carestream are to be in compliance with national and international regulations. Suppliers are encouraged to use life cycle thinking to minimize environmental, health, and safety impacts as they, select materials that are environmentally considerate and reusable/recyclable, manufacture products in a way that protects employees and eliminates waste, package products for shipment with recycled materials and that can be recycled or reused, consider use of their products by Carestream and our customers, and identify

product disposal options that enable maximum reuse or recycling.

Carestream must be able to demonstrate environmental, health, and safety compliance of end-use products to our customers and to regulatory authorities. To do this, we must obtain data and declarations from our suppliers and expect that our suppliers are actively working with their suppliers to ensure compliance traceability throughout the supply chain. Accurate data is necessary in order to pay appropriate material collection and disposal fees. Carestream uses internationally recognized material declaration questionnaires and other survey methods in order to obtain this data.

APPENDIX A: ALIGNMENT WITH ISO 26000

ISO 26000 Core Subjects	Management System Overlap	Cross Reference
Organizational Governance	<ul style="list-style-type: none"> • Governance • Stakeholder Engagement 	<ul style="list-style-type: none"> • See Management section
Human Rights	<ul style="list-style-type: none"> • Compliance 	<ul style="list-style-type: none"> • See Responsible Business Practices section
Labour Practices	<ul style="list-style-type: none"> • Empowering Our People • Employee Health, Safety and Wellness • Compliance 	<ul style="list-style-type: none"> • See Our People section • See Responsible Business Practices section
The Environment	<ul style="list-style-type: none"> • Environmental Sensitivity • Energy use • Water scarcity and quality • Material scarcity and waste • Air emissions • Climate action • Compliance 	<ul style="list-style-type: none"> • See Environment section • See Responsible Business Practices section
Fair Operating Practices	<ul style="list-style-type: none"> • Compliance • Supply chain management 	<ul style="list-style-type: none"> • See Responsible Business Practices Section
Consumer Issues	<ul style="list-style-type: none"> • Environmental Sensitivity • Societal Value • Compliance 	<ul style="list-style-type: none"> • See Product Design and Innovation section • See Responsible Business Practices Section
Community Investment and Development	<ul style="list-style-type: none"> • Community Investment • Volunteering • Building Our Talent Pipeline 	<ul style="list-style-type: none"> • See Responsible Business Practices Section

APPENDIX B: GRI INDEX

Universal Standard Disclosures

Disclosure	Description	Cross-Reference
102-1	Name of the Organization	Company Overview, p. 5
102-2	Activities, brands, products and services	Company Overview, p. 5
102-3	Location of headquarters	Company overview, p. 5, 7
102-4	Location of operations	Company overview, p. 7
102-5	Ownership and legal form	Company overview, p. 5
102-6	Markets served	Company Overview, p.5
102-7	Scale of organization	Company overview, p.7
102-8	Information on employees and other workers	Company overview, p.7
102-9	Supply chain	Responsible Business Practices: Compliance, p. 55-56
102-10	Significant changes to supply chain	Company Overview, p.5
102-11	Precautionary Principle or approach	Product Design & Innovation, p. 20
102-12	External initiatives	Company Overview: Sustainability Management System, p. 14 Product Design & Innovation, p. 20 Citizenship, p. 26 Our People, p. 35 Environment, p. 42,-45 Responsible Business Practices, p. 54-55 Appendix A: Alignment with ISO 26000, p. 56
102-13	Membership of associations	Environment, p. 45
102-14	Statement from senior decision-maker	Top Commitment, p. 8-9
102-15	Key impacts, risks, and opportunities	Product Design & Innovation, p. 20 Citizenship, p. 25 Our People, p. 35 Environment, p. 42 Responsible Business Practices, p. 54

102-16	Values, principles, standards, and norms of behavior	Company Overview: Carestream Mission, Vision & Values, p. 6 Company Overview: Top Commitment, p. 8-9 Company Overview: Sustainability Management, p. 10-17
102-18	Governance structure	Company Overview: Sustainability Management System, p. 14
102-19	Delegating authority	Company Overview: Sustainability Management System, p. 14
102-20	Executive-level responsibility for economic, environmental, and social topics	Company Overview: Sustainability Management System, p. 14
102-21	Consulting stakeholders on economic, environmental, and social topics	Company Overview: Sustainability Management System, p. 14
102-22	Composition of the highest governance body and its committees	Company Overview: Sustainability Management System, p. 14
102-23	Chain of the highest governance body	Company Overview: Sustainability Management System, p. 14
102-24	Nominating and selecting the highest governance body	Company Overview: Sustainability Management System, p. 14
102-25	Conflicts of interest	
102-26	Role of the highest governance body in setting purpose, values, and strategy	Company Overview: Sustainability Management System, p. 14, 17-18
102-27	Collective knowledge of highest governance body	Company Overview: Sustainability Management System, p. 14
102-28	Evaluating the highest governance body's performance	Company Overview: Sustainability Management System, p. 14
102-29	Identifying and managing economic, environmental, and social impacts	Company Overview: Our New Sustainability Framework, p. 11 Company Overview: Sustainability Management System, p. 14-18
102-30	Effectiveness of risk management process	N/A
102-31	Review of economic, environmental, and social topics	Company Overview: Our New Sustainability Framework, p. 11 Company Overview: Sustainability Management System, p. 14-18

102-32	Highest governance body's role in sustainability reporting	Company Overview: Sustainability Management System, p. 14
102-33	Communicating critical concerns	Company Overview: Sustainability Management System, p. 14
102-34	Nature and number of critical concerns	N/A
102-40	List of stakeholder groups	Company Overview: Sustainability Management System, p. 14
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Company Overview: Sustainability Management System, p. 14
102-43	Approach to stakeholder engagement	Company Overview: Sustainability Management System, p. 14
102-44	Key topics and concerns raised	Company Overview: Sustainability Management, p. 15
102-45	Entities included in the consolidated financial statements	Carestream reports financial performance to its parent company, Onex.
102-46	Defining report content and topic boundaries	Company Overview: Our New Sustainability Framework, p. 11 Company Overview: Sustainability Management System, p. 14-16
102-47	List of material topics	Company Overview: Our New Sustainability Framework, p. 11
102-48	Restatements of information We have provided similar information in the company overview section, as this information is still relevant.	Company Overview: Sustainability Management System, p. 14-15 Responsible Business Practices, Compliance: p. 52-55
102-49	Changes in reporting	Transitioned to use of GRI standard. Developed new sustainability framework with new priority issues.
102-50	Reporting period	2017-2019

102-51	Date of most recent report	2017 report, published in 2016
102-52	Reporting cycle	4 years
102-53	Feedback Mailbox	Stakeholder feedback mailbox on Carestream sustainability website
102-54	Claims of reporting in accordance of the GRI Standards	Company Overview: Sustainability Management System, p. 14 Appendix B: GRI Index, p. 57-66
102-55	GRI content index	Appendix B: GRI Index, p. 57-66
102-56	External assurance	No external assurance is used at this time. Although, it will be considered for future reports.
GRI 103: Management Approach		
103-1	Explanation of material topic and its Boundary	Company Overview: Sustainability Management System, p. 14 Product Design & Innovation: Management Approach, p. 20-22 Citizenship: Management Approach, p. 26-27 Our People: Management Approach, p. 35-6 Environment: Management Approach, p. 42-43 Responsible Business Practices: Management Approach, p. 54-55
103-2	The management approach and its components	Company Overview: Sustainability Management System, p. 14 Product Design & Innovation: Management Approach, p. 20-22 Citizenship: Management Approach, p. 26-27 Our People: Management Approach, p. 35-36 Environment: Management Approach, p. 42-43 Responsible Business Practices: Management Approach, p. 54-55
103-3	Evaluation of management approach	Company Overview: Sustainability Management System, p. 14

Topic-specific Standard Disclosures

Dislosure	Description	Indicator	Cross-Reference
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	i. Direct economic value generated: revenues	Company Overview, p. 5
201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <ul style="list-style-type: none"> i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity. <p>Carestream Indicator: Description of how we are taking action to adapt to climate change</p>	Environment: Management Approach, p. 42-43
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements. 	Product Design & Innovation, p. 20-24 Citizenship, p.26-32
203-2	Significant indirect economic impacts	<ul style="list-style-type: none"> a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas. 	Product Design & Innovation, p. 20-24

GRI 205: Anti-Corruption			
205-1	Operations assess for risks related to corruption	Carestream Indicator: Description of how we prevent anti-corruption	Responsible Business Practices, p. 52
GRI 301: Materials			
301-2	Recycled input materials		
301-3	Reclaimed products and their packaging materials		
GRI: 302: Energy			
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption e. Total energy consumption within the organization, in joules or multiples. 	Environment: Energy Use, p. 44
302-3	Energy intensity	<ul style="list-style-type: none"> a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both. 	Environment: Energy Use, p. 44

GRI: 302: Energy			
302-1	Energy consumption within the organization	<p>a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.</p> <p>b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</p> <p>c. In joules, watt-hours or multiples, the total:</p> <p>i. electricity consumption</p> <p>ii. heating consumption</p> <p>iii. cooling consumption</p> <p>iv. steam consumption</p> <p>e. Total energy consumption within the organization, in joules or multiples.</p>	Environment: Energy Use, p. 44
302-3	Energy intensity	<p>a. Energy intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>d. Whether the ratio uses energy consumption within the organization, outside of it, or both.</p>	Environment: Energy Use, p. 44
302-4	Reduction of energy consumption	Carestream Indicator: Description of initiatives implemented to reduce energy use.	Environment: Energy Use, p. 44
302-5	Reduction in energy requirements of products and services	Carestream Indicator: Description of how we design products to reduce energy use.	Product Design & Innovation: 20-24
GRI 303: Water and Effluents			
303-1	Interaction with water as a shared resource	Carestream Indicator: Description of how we participate in local water conservation and management in the community	Environment: Water Quality & Scarcity, p. 45-46
303-2	Management of water discharge-related impacts	Carestream Indicator: Description of projects implemented to manage our wastewater	Environment: Water Quality & Scarcity, p. 45-46
303-3	Water withdrawal	Carestream Indicator: Description of how we reduce our water use and reuse water	Environment: Water Quality & Scarcity, p. 45-46

GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.	Environment: Climate Action, p. 50
305-2	Energy indirect (Scope 2) GHG emissions	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.	Environment: Climate Action, p. 50
305-4	GHG emissions intensity	a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	Environment: Climate Action, p. 50
305-5	Reduction of GHG emissions	Carestream Indicator: Description of how we reduce our greenhouse gas emissions	Environment: Climate Action, p. 50
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOX ii. SOX iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP)	Environment: Air Emissions, p. 49-50
GRI 308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Carestream Indicator: Description of supply chain management audits.	Responsible Business Practices, p. 55
GRI 401: Employment			
401-2	Programs for upgrading employee skills and transition assistance programs	Carestream Indicator: Description of supply chain management audits.	Responsible Business Practices, p. 55

GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	<p>a. A statement of whether an occupational health and safety management system has been implemented, including whether:</p> <ul style="list-style-type: none"> i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines. <p>b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.</p>	Our People, p. 40
403-2	Hazard identification, risk assessment, and incident investigation	<p>a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:</p> <ul style="list-style-type: none"> i. how the organization ensures the quality of these processes, including the competency of persons who carry them out; ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system. <p>b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.</p> <p>c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.</p> <p>d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.</p>	Our People, p. 340
403-3	Occupational health services	<p>a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.</p>	Our People, p. 40

403-4	Worker participation, consultation, and communication on occupational health and safety	a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.	Our People, p. 40
403-6	Promotion of worker health	a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	Our People, p. 40
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.	Product Design & Innovation, p. 21-22 Responsible Business Practices: Compliance, p. 55
403-9	Work-related injuries	a. For all employees: iii. The number and rate of recordable work-related injuries.	Our People, p. 40
403-10	Work-related ill health	a. For all employees: ii. The number of cases of recordable work-related ill health.	Our People, p. 40
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Carestream Indicator: Description of supply chain management audits.	Responsible Business Practices, p. 55
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories		Product Design & Innovation, p. 23 Responsible Business Practices, p. 54