

2022 Global reporting initiative

EASTMAN

About this report

This sustainability report reflects Eastman's advancement against the meaningful and measurable goals that will ensure we make progress against the environmental, social, and corporate governance (ESG) expectations of our customers, employees, investors, and the communities we serve. It is focused on both our forward momentum as well as the headwinds we incurred during 2021 through mid-2022 time frame. The quantitative data of this report is in accordance with the GRI (Global Reporting Initiative) standards and discloses material information across the Jan. 1 to Dec. 31, 2021 time frame unless otherwise noted. In addition to the GRI, this report references additional frameworks, including the Task Force for Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), meets requirements for the United Nations Global Compact Communication on Progress and references the relevant United Nations Sustainable Development Goals (SDGs).

Eastman updated our corporate Sustainability Materiality Assessment in 2022 and has identified topics of significance and indicators that align to our strategy and are most relevant to our internal and external stakeholders. Our process included an examination of our business risks and opportunities, evaluation of external trends, external expertise and our own understanding of our business. See the "Materiality" section of the 2022 sustainability report for a full explanation of our findings.

This sustainability report, as well as past reports, cover Eastman's wholly owned operations, and is used as a means of updating stakeholders on our progress against stated goals and commitments while giving a broad overview of our collective impacts and activities. As we acquire new sites and material businesses, we remain committed to integrating information within three years of acquisition. Eastman Corporate Audit Services assesses the information in conformance with standards set by the Institute of Internal Auditors and verifies that supporting documentation exists. Much of the financial data is taken from our annual SEC (Securities and Exchange Commission) filing.

Eastman has reported toward its sustainability commitments since 2009. You can reference Eastman's past sustainability reports below:

2020



2019



2018



2017



2016



2015



Global Reporting Initiative Index

This Global Reporting Initiative (GRI) Index corresponds to sustainability information presented in our annual sustainability report, our proxy statement and annual report, our website and other disclosures. Sustainability information presented in our sustainability report is prepared in accordance with GRI Standards core guidelines and focuses on performance in calendar year 2021.

The information included also serves as Eastman's Communication on Progress as a member of the United Nations Global Compact (UNGC) and an update on our role in the United Nations Sustainable Development Goals (SDGs).

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
THE ORGANIZATION AND ITS REPORTING PRACTICES					
2-1	Organizational details	Who is Eastman			
2-2	Entities included in the organization's sustainability reporting	About this report			
2-3	Reporting period, frequency and contact point	About this report			
2-4	Restatements of information	About this report			
2-5	External assurance	External assurance			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
ACTIVITIES AND WORKERS					
2-6	Activities, value chain and other business relationships	Eastman brands			
2-7	Employees	Appendix			
GOVERNANCE					
2-9	Governance structure and composition	Appendix , Code of Business Conduct , Third-Party code of Conduct			
2-10	Nomination and selection of the highest governance body	Corporate Governance Guidelines , Bylaws , Certification of Incorporation , 2022 Proxy Statement			
2-11	Chair of the highest governance body	2022 Proxy Statement , Corporate Governance Guidelines			
2-12	Role of the highest governance body in overseeing the management of impacts	Board Stockholder Communication and Engagement Policy , Corporate Governance Guidelines , 2022 CDP Climate Change , Sustainability Governance , Environmental, Safety and Sustainability Committee Charter , 2022 Proxy Statement , 2022 I&D Report			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
2-13	Delegation of responsibility for managing impacts	<u>Corporate Governance, Environmental, Safety and Sustainability Committee Charter</u>			
2-14	Role of highest governance body in sustainability reporting	Stakeholder Engagement			
2-15	Conflicts of interest	<u>Corporate Governance, Corporate Governance Guidelines, 2022 Proxy Statement, Audit Committee Charter</u>			
2-16	Communication of critical concerns	<u>Corporate Governance Guidelines, 2022 Proxy Statement</u>			
2-17	Collective knowledge of the highest governance bodies	<u>Corporate Governance, Corporate Governance Guidelines</u>			
2-18	Evaluation of the performance of the highest governance body	<u>Corporate Governance, Corporate Governance Guidelines, 2022 Proxy Statement</u>			
2-19	Remuneration policies	<u>Corporate Governance Guidelines, 2022 Proxy Statement</u>			
2-20	Process to determine remuneration	<u>Corporate Governance Guidelines, 2022 Proxy Statement</u>			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
2-21	Annual total compensation ratio	This is considered business confidential.			
STRATEGY, POLICIES AND PRACTICES					
2-22	Statement on sustainable development strategy	CEO message			
2-23	Policy commitments	<u>Values, Code of Business Conduct</u>			
2-24	Embedding policy commitments	<u>Corporate Governance, Corporate Governance Guidelines</u>			
2-25	Processes to remediate negative impacts	<u>Corporate Governance, Corporate Governance Guidelines, 2022 Proxy Statement</u>			
2-26	Mechanisms for seeking advice and raising concerns	<u>Appendix, Code of Business Conduct, Third-Party code of Conduct</u>		16	10
2-27	Compliance with laws and regulations	<u>Corporate Governance Guidelines, 2022 Proxy Statement</u>			
2-28	Membership associations	<u>Memberships</u>			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
STAKEHOLDER ENGAGEMENT					
2-29	Approach to stakeholder engagement	Stakeholder Engagement		16	
2-30	Collective bargaining agreements	As of July 1, 2021, collective bargaining agreements covered approximately 5% of Eastman’s U.S.-based workforce.			
3-1	Report process of determining material topics	Materiality Assessment			
3-2	Report a list of its material topics	Materiality Assessment			
3-3	Report how it manages each material topic	Materiality Assessment			
ECONOMIC PERFORMANCE					
201-1	Direct economic value generated and distributed	<u>2022 10K Report, Part II, Item 8</u>		2, 5, 7, 8, 9	
201-2	Financial implications and other risks and opportunities due to climate change	<u>Appendix</u>		13	

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
201-3	Defined benefit plan obligations and other retirement plans	<p>Eastman provides on-site and virtual, no-cost financial planning and counseling resources to our employees and their family members. In addition, multiple innovative financial technology solutions are provided at no cost to assist our employees to support their financial wellness. In addition, eligible employees get \$1,000 per year into their Health Savings Accounts (HSAs) from Eastman that can be saved for retirement.</p> <p>Benefits at Eastman</p>			
MARKET PRESENCE					
202-2	Proportion of senior management hired from the local community	Appendix			
INDIRECT ECONOMIC IMPACTS					
203-1	Infrastructure investments and services supported	Appendix		2, 5, 7, 9	
203-2	Significant indirect economic impacts	Appendix		8, 10, 17	

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
PROCUREMENT PRACTICES					
204-1	Proportion of spending on local suppliers	Eastman's policy is to procure products and services based on total value for the company. Factors that Eastman considers when making purchasing decisions include competitive pricing, quality of work and materials, and timely and trustworthy performance. Procurement strategies are continuously developed and implemented to provide assurance of sources for goods and services necessary to the company's operations. Procurement strategies may include the development of a local supply based on business needs.		12	
ANTI-CORRUPTION					
205-1	Operations assessed for risks related to corruption	Eastman conducts an annual risk assessment of 100% of our businesses, which includes risks relating to corruption. No significant risks related to corruption were reported or have been identified through the risk assessment.		10, 16	
205-2	Communication and training about anti-corruption policies and procedures	<u>Appendix, Code of Business Conduct, Third-Party code of Conduct</u>		10, 16	
205-3	Confirmed incidents of corruption and actions taken	If any incident of corruption or misconduct is identified, team members are required to report this conduct. An internal investigation is performed, and appropriate follow-up actions, including disciplinary action, are taken to remediate and prevent the recurrence of a similar incident in the future. Eastman's position on corruption and bribery is reflected not only in its Code of Business Conduct but in specific policies, procedures and training available to all employees on bribery and corruption risks and how to avoid them. No incidents of corruption were reported or confirmed in the reporting year. No public legal cases regarding corruption were brought against the company or its employees during the reporting period.		10, 16	

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
ANTI-COMPETITIVE BEHAVIOR					
206-1	Legal actions for anti-competitive behavior, antitrust and monopoly practices	Any legal actions that are material for anticompetitive behavior, antitrust or monopoly practices would be disclosed in Eastman’s filings with the Securities and Exchange Commission, and all such actions would generally be a matter of public record. No legal action for anti-competitive behavior, anti-trust or monopoly practices were reported in the reporting year.			
TAX					
207-2	Tax governance, control, and risk management	This information is confidential and not disclosed publicly.			
207-3	Stakeholder engagement and management of concerns related to tax	This information is confidential and not disclosed publicly.			
207-4	Country-by-country reporting	This information is confidential and not disclosed publicly. This information is not complete at the time of this report, although is required to be filed with annual tax return filings.			
MATERIALS					
301-2	Recycled input materials used	Materials		12	

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
ENERGY					
302-1	Energy consumption within the organization	Eastman used about 31,367,398 GJbtu in 2021 to produce products using both direct and indirect energy. About 82% of direct energy was produced from purchased natural gas and coal, and about 18% was recovered fuel from feedstock.		7, 8, 12, 13	7, 8
ANTI-COMPETITIVE BEHAVIOR					
302-2	Energy consumption outside of the organization	In 2021, Eastman used about 30 trillion Btu of indirect energy in the form of purchased steam and electricity to produce products.		7, 8, 12, 13	7, 8
302-3	Energy intensity	Energy, Energy Management		7, 8, 12, 13	7, 8
302-4	Reduction of energy consumption	Energy Management , CDP Climate Change		7, 8, 12, 13	8, 9
302-5	Reductions in energy requirements of products and services	Energy Management			
WATER AND EFFLUENTS					
303-1	Interactions with water as a shared resource	Water Management			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
303-2	Management of water discharge-related impacts	<p>Eastman is not aware of any significant impact on any water source. At our largest manufacturing facilities in Kingsport, Tenn., and Longview, Texas, comprehensive river studies conducted by the Academy of Natural Sciences of Drexel University, formerly known as the Philadelphia Academy of Natural Sciences, confirm that these rivers provide thriving habitats for wildlife communities.</p> <p><u>Water Management</u></p>			
303-3	Water withdrawal	<p><u>Water Management, CDP Water Response, CDP Water Response</u></p>			
303-4	Water discharge	<p>Eastman discharges process wastewater in accordance with applicable permits, licenses and agreements. The wastewater is either treated in Eastman-owned treatment facilities and discharged directly to surface waters; is treated in Eastman-owned pretreatment facilities and conveyed to third-party providers (e.g., utilities, municipalities) for additional treatment and/or discharge; or is conveyed directly to third-party providers (e.g., utilities, municipalities) for treatment and/or discharge. An estimated 817,000 megaliters (ML) of water was discharged in 2021.</p>			
303-5	Water consumption	<p><u>Water Management, CDP Water Response</u></p>			
BIODIVERSITY					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>Biodiversity</p>			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity		6, 14, 15	8
304-3	Habitats protected or restored	<u>Biodiversity</u>			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity			
EMISSIONS					
305-1	Direct (Scope 1) GHG emissions	Our 2021 direct greenhouse gas emissions using the CDP methodology were 6,206,603 mtCO ₂ e (<u>CDP Climate</u>)		3, 12, 13, 14, 15	7, 8
305-2	Energy indirect (Scope 2) GHG emissions	Our 2021 indirect greenhouse gas emissions using the CDP methodology were Location-based: 736,120 mtCO ₂ e, Market-based: 746,240 mtCO ₂ e (<u>CDP Climate</u>)		3, 12, 13, 14, 15	7, 8
305-3	Other indirect (Scope 3) GHG emissions	<u>Emissions, CDP Climate</u>		3, 12, 13, 14, 15	7, 8
305-4	GHG emissions intensity	<u>Emissions, CDP Climate</u>		13, 14, 15	8
305-5	Reduction of GHG emissions	<u>Emissions, CDP Climate</u>		13, 14, 15	8, 9

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
305-6	Emissions of ozone-depleting substances (ODS)	Eastman policies require all Eastman facilities, subsidiaries and majority-owned joint ventures that operate equipment containing ODS to develop and maintain an inventory of all ODS equipment, including an identification of the equipment and type and quantity of refrigerant.		3, 12	7, 8
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Environmental Performance		3, 12, 13, 15	7, 8
WASTE					
306-1	Waste generation and significant waste-related impacts	Eastman takes great care to manage our on-site waste production, and we recycle many materials that could otherwise become waste. Our integrated Global Supply Chain is committed to developing and using materials that are recyclable, reusable, and waste reducing whenever possible. See the following links for further information: Sustainability Goals , Circular Economy			
306-2	Management of significant waste-related impacts	Appendix , Environmental Stewardship , Responsible Care , HSES Management		3, 6, 12	8
306-3	Waste generated	Emissions , CDP Climate , Waste		3, 6, 12, 14	8
306-4	Waste diverted from disposal	Emissions , CDP Climate , Waste			
306-5	Waste directed to disposal	Waste			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
EMPLOYMENT					
401-1	New employee hires and employee turnover	Appendix		5, 8	6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Please note that all of the benefits selected above are also provided to part-time employees in the U.S. Benefits at Eastman		8	
401-3	Parental leave	We do not report in detail on the return to work and retention rate after parental leave by gender.		5, 8	6
LABOR/MANAGEMENT RELATIONS					
402-1	Minimum notice periods regarding operational changes	In the event of operational changes that involve a change in staffing levels or otherwise affect employment, the company engages in significant planning to ensure affected employees are treated with the utmost respect and dignity. Labor and employment law requirements, including but not limited to reasonable employee notice of job loss and requirements under collective bargaining agreements, are carefully assessed in every global location.		8	3
OCCUPATIONAL HEALTH AND SAFETY					
403-1	Occupational health and safety management system	Appendix , Health and Safety, Safety			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
403-2	Hazard identification, risk assessment, and incident investigation	Safety			
403-3	Occupational health services	Safety			
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety			
403-5	Worker training on occupational health and safety	Safety			
403-6	Promotion of worker health	Employee Wellness			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety			
403-8	Workers covered by an occupational health and safety management system	Approximately 14, 500 employees were employed by Eastman in 2021. All employees are subject to Eastman’s health and safety programs.			
403-9	Work-related injuries	Safety Metrics			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
403-10	Work-related ill health	Safety Metrics			
TRAINING AND EDUCATION					
404-1	Average hours of training per year per employee	Appendix		8	6
404-2	Programs for upgrading employee skills and transition assistance programs	Careers at Eastman			
404-3	Percentage of employees receiving regular performance and career development reviews	We do not report on the percentage of employees receiving regular performance and career development reviews by gender and by employee category.		5, 8	6
DIVERSITY AND EQUAL OPPORTUNITY					
405-1	Diversity of governance bodies and employees	Appendix		5, 8	6
405-2	Ratio of basic salary and remuneration of women to men	Eastman establishes and administers compensation based on business needs and external market competitiveness without regard to gender.		8, 10	6

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
NON-DISCRIMINATION					
406-1	Incidents of discrimination and corrective actions taken	Eastman does not publicly report the total number of such incidents or any of their corrective actions.			
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Eastman complies with all laws designed to preserve the right to exercise freedom of association and collective bargaining. Eastman has not identified any operations at which those rights are at significant risk.		8	3
CHILD LABOR					
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>We uphold individual human rights including freedom from forced or compulsory labor and stand firmly against human trafficking. We seek to provide a safe, healthy, and desirable workplace with working conditions, wages, and benefits that meet or exceed applicable laws and reward performance. Eastman complies with all child labor laws and supports the elimination of unlawful child labor and exploitation. We expect the same ethical conduct from our business partners.</p> <p>Code of Conduct, Third-Party Code of Conduct, Statement on Slavery and Human Trafficking, Policy Statement on Human Rights</p>		8, 16	5

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
FORCED OR COMPULSORY LABOR					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We uphold individual human rights including freedom from forced or compulsory labor and stand firmly against human trafficking. We seek to provide a safe, healthy, and desirable workplace with working conditions, wages, and benefits that meet or exceed applicable laws and reward performance. Eastman complies with all child labor laws and supports the elimination of unlawful child labor and exploitation. We expect the same ethical conduct from our business partners. Code of Conduct , Third-Party Code of Conduct , Statement on Slavery and Human Trafficking , Policy Statement on Human Rights		8	4
SECURITY PRACTICES					
410-1	Security personnel trained in human rights policies or procedures	Security		16	1
RIGHTS OF INDIGENOUS PEOPLES					
411-1	Incidents of violations involving rights of indigenous peoples	As of December 2021, no incidents of violations involving the rights of indigenous peoples were identified or investigated during the reporting period. Additionally, zero operations have been subject to human rights reviews or impact assessments.			1
LOCAL COMMUNITIES					
413-1	Operations with local community engagement, impact assessments, and development programs	Appendix			

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
SUPPLIER SOCIAL ASSESSMENT					
414-1	New suppliers that were screened using social criteria	<p>Eastman is a member of the Together for Sustainability Initiative (TfS), the chemical initiative for sustainable supply chains. TfS is a member-driven initiative founded in 2011 by six major chemical companies. Since that time, membership has grown to 36 members, including Eastman as the first U.S. chemical industry member. TfS develops and implements a global supplier engagement program to assess, audit and improve sustainability practices within the supply chain of the chemical industry. Under this initiative, Eastman requests that suppliers complete an EcoVadis sustainability assessment, which has four elements: environmental, labor and human rights, ethics and sustainable procurement.</p> <p>In 2021, TfS began a new initiative to develop a standard methodology for suppliers to calculate their individual product GHG impact so that the TfS members could then calculate their overall scope 3 emissions using a standard and so directly comparable framework The TfS initiative also coordinates third-party audits of the responses to the assessments when needed. By the end of 2021, 69% of our continuing direct raw material supplier base (by spend) had current (i.e., less than 3 years old) EcoVadis assessments.</p>			2
414-2	Negative social impacts in the supply chain and actions taken	Eastman is not aware of any significant impacts in our supply chain with respect to the environment, labor, human rights or societal issues that occurred in 2021.			2
PUBLIC POLICY					
415-1	Political contributions	Appendix			10

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
CUSTOMER HEALTH AND SAFETY					
416-1	Assessment of the health and safety impacts of product and service categories	Eastman’s PSRA program performs hazard and risk assessment reviews for 100% of its products. Monitoring potential risk classifications drives the Eastman goal of reduction or elimination of PBT, vPvB, CMR, ED and sensitizers from Eastman’s existing product portfolio. Monitoring hazards and risk classifications also highlights potential areas of the portfolio where there could be capacity for improvement. Active engagement in hazard and risk assessments provides opportunities for members of the Product Stewardship and Regulatory Affairs program to pro-actively identify any potential human and/ or environmental hazard concerns for a proposed product undergoing research and development. A course of action to eliminate the potential hazards and risks can then be designed and implemented. Responsible Care			
MARKETING AND LABELING					
417-1	Requirements for product and service information and labeling	Product Safety		12	
417-2	Incidents of noncompliance concerning product and service information and labeling	Eastman has not identified any non-compliance with regulations or voluntary codes regarding product or service information and labeling for the reporting year. All of our product safety data sheets and labeling comply with regulatory requirements for hazard communication in all countries and regions. In 2016, we implemented the Globally Harmonized System for Classification and Labeling (GHS) process to define, classify and communicate chemical hazard and safety information for all of our products.		16	

Disclosure number	Description	Cross-reference or answer	Pages	SDG	UNGC connection
417-3	Incidents of noncompliance concerning marketing communications	Eastman is unaware of any significant fines in 2021 concerning marketing communications.			
CUSTOMER PRIVACY					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Eastman is unaware of any complaints regarding breaches of customer privacy or loss of customer data in 2021.			

Global Reporting Initiative Appendix

2-7 EMPLOYEES

Total workforce	Employment type	Region
14,414 employees as of December 31, 2021	Full-time: 97.7%	North America: 71%
	Part-time: 2.3%	Europe, Middle East and Africa: 16%
		Asia Pacific: 10%
	Latin America: 3%	

2-9 GOVERNANCE STRUCTURE AND COMPOSITION

Eastman has multiple methods available for individuals to seek advice and raise concerns in good faith including a physical mailing address and an internal phone number and email address for Global Business Conduct ("GBC"), which is Eastman's Ethics & Compliance organization. In addition, the Company also has a toll-free hotline, website, and new mobile application which are all hosted by a third party and allow for anonymous reporting where permitted by law.

These available methods are published both internally and externally, and can be found in many different locations. Externally, the mechanisms can be found by visiting Eastman's website and clicking the "Contact Us" button then selecting "Report a Concern" from the dropdown. Additionally, they are located within the Code of Business Conduct and the Third Party Code of Conduct, which are both published on Eastman's website.

Internally, employees can access the different mechanisms by clicking the "Report a Concern" tile on Eastman's intranet home screen; by visiting the Global Business Conduct ("GBC") SharePoint site; and through multiple policies such as the Code of Business Conduct, the AP - Reporting Concerns Policy, and others, which are found within Eastman's MyPolicyHub system.

2-26 MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS

Eastman has multiple methods available for individuals to seek advice and raise concerns in good faith including a physical mailing address and an internal phone number and email address for Global Business Conduct ("GBC"), which is Eastman's Ethics & Compliance organization. In addition, the company also has a toll-free helpline, website, and new mobile application which are all hosted by a third party and allow for anonymous reporting.

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201-2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Legislative, regulatory, or voluntary actions, including associated with physical impacts of climate change, could increase the Company's future health, safety, and environmental compliance costs. Chemical manufacturing by its very nature is energy intensive and can result in substantial carbon emissions. However, many products of chemistry, including Eastman products, reduce greenhouse gas emissions over time. Risks posed by climate change may manifest themselves in physical risks due to potential impacts of climate change such as the impacts of extreme weather events, which the company estimates could have financial impacts of approximately

\$5,000,000 to \$30,000,000. In particular, the company may be exposed to increased capital and operational costs associated with a move from fossil-derived fuels and feedstocks to more renewable sources of energy and materials. Current and emerging carbon pricing regulation has the potential to increase operational costs due to use of fossil feedstocks in power generation.

While the Company's sustainability and circular economy innovation initiatives are sources of competitive strength, future changes in legislation and regulation and related voluntary actions associated with physical impacts of climate change may increase the likelihood that the Company's manufacturing facilities will in the future be impacted by carbon requirements, regulation of greenhouse gas emissions, and energy policy, and may result in capital expenditures, increases in costs for raw materials and energy, limitations on raw material and energy source and supply choices, and other direct and indirect compliance or other costs or consequences including decreased demand for products related to carbon-based energy sources or increased demand for goods that result in lower emissions than competing products and reputational risk resulting from operations with greenhouse gas emissions. More stringent emission limits have the potential to increase both capital and operational costs. For example, Eastman's analysis estimates the financial impact of carbon pricing in the United States on the company to be approximately \$8,000,000 to \$45,000,000 if such a concept became law. This analysis of the potential impacts of a regulated price on carbon was based on review of various potential carbon price points against Eastman's emissions in the United States. The analysis also considered varying levels of free allocations in a potential regulated carbon pricing concept. In the U.S., some public pressure to address climate change has increased federal and state-level government and private sector attention to placing a price on carbon emissions. Eastman complies with current regulations of GHG emissions in countries where they are regulated, such as in the European Union (EU), where Eastman's emissions are subject to the EU's emissions trading system (EU ETS). Given the European Commission's plans to further decarbonize as proposed in the EU Green Deal—which includes carbon neutrality by 2050 — Eastman will have fewer free emissions allocations. This will increase ETS compliance costs in years to come. As stated in Eastman's CDP Climate Change report, without free allocations, the estimated financial cost could be approximately €1,000,000 to €9,000,000.

Physical impacts and a transition to a lower-carbon economy have the potential to advantage Eastman products in some markets. As one example, Eastman is the world's largest producer of window-tinting films for the automotive market with applications of films like LLumar[®], V-KOOL[®] and SunTek[®]. Eastman's LLumar, V-KOOL and SunTek films can be applied to almost any building or vehicle window to reduce energy consumption, lower peak demand and decrease total carbon emissions. Independent energy audits have found that buildings retrofitted with LLumar can realize better HVAC efficiency, resulting in energy savings of 5%–15%. Saflex[®] PVB interlayers are polyvinyl butyral films designed for lamination between two sheets of glass. Like LLumar, Saflex Interlayers improve energy efficiency in both vehicles and buildings. Saflex Solar Connect, introduced in 2020, provides exceptional solar heat rejection and sound damping, which combine to make it particularly useful in electric vehicles where weight reduction from thinner glazing and reduced load on HVAC systems can have a direct impact on energy usage and vehicle range. The potential financial impact figure of approximately \$1,000,000,000 reflects the estimated revenue associated with this group of climate-change-related products.

While Eastman's operations can be considered energy intensive, Eastman generates a significant proportion of its energy utilizing combined heat and power. Electricity produced by combined heat and power plants is approximately twice as efficient as purchasing electricity from a utility with conventional power stations. Eastman's use of cogeneration, therefore, helps reduce the carbon emissions that would otherwise be required to operate these facilities. Energy efficiency projects also represent a climate-related opportunity. Specifically, Eastman's capital budget focused on energy efficiency projects continues to be supported by senior management and was \$5,000,000 in 2021. Eastman's business strategy clearly reflects an emphasis on energy reduction. Eastman works to improve resource efficiency through process optimization, reuse of steam in production processes, and lighting projects in company buildings.

Emission standards or uncertainty about future standards may delay investments by our customers and, as a result, impact our future business opportunities. The direct impact of controlling CO₂ emissions from electric power generation may impact the cost of electric power supplied to Eastman manufacturing facilities, our customers and our suppliers. On the other hand, climate change may represent opportunities for Eastman with regard to the development and use of materials that enable

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or enhance efforts to mitigate or adapt to the effects of climate change. For example, use of window films to enhance energy efficiency, use of interlayers in window glass to provide strength for storm resistance, and development of coatings for extreme exposures represent potential opportunities.

Eastman has an advantaged platform of solutions to address the challenges of plastic waste in the environment with our molecular recycling technologies. Eastman's scale and integration provides an opportunity to accelerate the use of two recycling technologies — carbon renewal technology and polyester renewal technology — and make a meaningful positive impact on the environment. Eastman was in a unique position to utilize existing assets and began operating carbon renewal technology at commercial scale in October 2019. Eastman, with French President Emmanuel Macron, announced that Eastman plans to invest up to \$1,000,000,000 in a material-to-material molecular recycling facility in France. The facility will be the world's largest. This long-term partnership between Eastman and France will contribute to the EU achieving its sustainability goals, by reducing carbon emissions and enabling a circular economy. The news followed Eastman's December 2020 announcement that it will invest approximately \$250,000,000 in a new methanolysis facility, which will support Eastman's commitment to address the global waste crisis and mitigate challenges created by climate change while also creating value for our stakeholders. This will deliver benefits to the local economy, including new jobs.

As a company that seeks to grow business revenue through innovation, Eastman leverages world class technology platforms, significant scale advantages in research and development ("R&D"), and advantaged global market access that form the foundation of sustainable growth and differentiated products. Investment in the company's circular economy technologies is included in company R&D expenditures and will increase to support scaling up these technologies to represent a larger portion of the company's total operations. Future capital investments may be required to realize this opportunity. Eastman anticipates its molecular recycling initiatives could contribute approximately \$500,000,000 to \$1,000,000,000 of new business revenue in the coming years.

Eastman's reforming technology gives new life to the most complex waste plastic by recycling flexible packaging, plastic films, polyester carpet and other mixed plastics into recycled feedstocks. The resulting certified recycled feedstock is indistinguishable from material from fossil feedstocks and can be used

in durables, packaging and textiles. Postindustrial and pre-consumer scrap also feeds into the process. Polyester recycling technology is a positive end-of-life solution for polyester materials that might otherwise be discarded in landfills or incinerated. Through methanolysis, polyester-based products are reduced to their polymer building blocks, called monomers. They are then reintroduced to the value chain as recycled polyester raw materials, delivering a true circular solution. These molecular recycling technologies allow material to be recycled an infinite number of times without losing quality. This means recycled materials will have more possible end uses. These technologies complement basic recycling by providing solutions for materials that cannot be addressed by mechanical recycling.

The company has diversified product offerings, serves broad markets and regions, and attempts to mitigate our exposure to swings in energy and raw material prices. These diversified product offerings and a diversified customer base mitigate potential commercial impact to Eastman. Proposed legislation and regulations are evaluated through Eastman's issue management process, and the impact on Eastman is estimated. We engage policymakers directly and through trade associations and consultants with the objective that any climate change legislation or regulation enacted will not have an adverse impact on the economy or create a competitive disadvantage. Please see Eastman's most recent CDP Climate Change report for more details on the climate-related risks and opportunities the company has identified as well as their respective estimated financial impacts.

202-2 PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

Eastman has a large geographic footprint within the U.S. and globally. Talent strategies are developed to align with business strategy to attract, acquire and retain talent. Talent is sourced proactively and reactively at the local, regional, national and international levels. Although a majority of talent is acquired at the local level, we as a company do relocate well over 100 new hires globally each year to Eastman facilities to begin their employment with the organization at all levels. Eastman uses a number of different approaches for identifying talent for the organization. Some of the more effective methods are social media, employee referrals, career fairs, visitors to Eastman.com and job postings. The company then puts the candidates through a rigorous selection process to assess their level of capability, competencies and alignment with the organizational vision and culture.

203-1 INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

As society continued to face the challenges of the global pandemic and civil unrest in 2021, Eastman acted on the opportunity to not just help communities overcome and recover, but to lay the groundwork for revitalization and resilience. Eastman and the Eastman Foundation donated over \$2.2 million in 2021, with \$1 million of those funds directed to COVID-19 recovery in our global site communities in the areas of mental health, food scarcity, childcare and education. Despite challenges with in-person volunteerism due to the global pandemic, Eastman employees remained dedicated to giving back to their communities, with 34% of U.S. employees pledging approximately \$1.7 Million to local United Way campaigns in 2021.

As part of Eastman's digital transformation and an effort to drive employee engagement, volunteerism, and more comprehensive data collection for community involvement, we began a phased implementation of a new software platform in 2021. During its soft launch, we captured over 350 volunteer hours for only our first two volunteer events hosted on the platform. We look forward to promoting more opportunities for employees to volunteer in 2022 and beyond.

203-2 SIGNIFICANT INDIRECT ECONOMIC IMPACTS

Example of indirect economic impact: Eastman's educational and workforce development efforts create significant indirect economic impacts to our site communities. We partner with Patrick Henry Community College to provide workforce training through the Center for Advanced Film Manufacturing in Martinsville, Virginia, to advance skill development in advanced film production. Eastman established its first work-based learning commitment in 2021, enabling 6 high school students to assume roles within our Kingsport manufacturing plant in 2022. Additionally, the Eastman Foundation has committed over \$1 million to establish multi-year partnerships with Historically Black Colleges and Universities (HBCUs), which provide support for the academic development of HBCU students and select HBCU student facilities and activities, offers students mentorship and professional development opportunities and enables Eastman to serve in an advisory role to its HBCU strategic partners to help them achieve these outcomes. Significance of the impacts: In 2021, Eastman's economic impact from employee and contractor compensation was estimated

to be more than \$9 billion in the states where we have manufacturing sites and sales offices. These figures are indicative of Eastman's reputation of being a responsible economic steward through the creation of jobs and investment in the community.

205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

Eastman's Code of Business Conduct defines the company's expectation that team members will conduct business ethically, with integrity, and in compliance with all applicable laws regarding corruption and bribery. The Code of Business Conduct is available to all Eastman employees internally as well as externally to the public through our company website, eastman.com. In addition to the Code, Eastman has formal internal policies and procedures on anti-bribery and anti-corruption and requires 100% of our employees worldwide to complete the online Code of Business Conduct training. Employees with more sensitive roles and potential exposure to corruption and bribery risks are required to take additional training on how to identify and respond to corruption and bribery red flags, avoiding business practices that could give the appearance of corruption or bribery, and facilitation payments. Additionally, Eastman requires that third parties complete the TRACE International Anti-bribery Course for Intermediaries, prior to being eligible to conduct business with Eastman.

306-2 MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS

Eastman continuously strives to protect the environment in the communities where we operate, as well as through understanding the environmental impact of our products. As a manufacturer of chemicals since 1920 and a Responsible Care® company for more than 25 years, Eastman has comprehensive guidelines and processes in place for reducing energy usage and minimizing our environmental footprint. In keeping with Eastman's circular economy efforts, waste management at Eastman begins in order of preference with source reduction and reuse, recycling, energy recovery and the last option, treatment and disposal. Not only does this deliver productivity gains for our business, it contributes to our regulatory compliance and reduces our environmental footprint. Eastman has set clear, measurable targets for energy intensity, greenhouse gas emissions, and water conservation. Eastman focuses on efforts to reduce waste, enable a sustainable supply chain, and continually understand the impact of our products on the environment through life cycle assessments. Eastman's Global HSES Audit Program implements an HSE assessment program to evaluate

the hazards/risks associated with third party providers that are contracted to provide services to Eastman or that otherwise do business with Eastman in a manner that involves their handling or management of Eastman-owned products or materials. The process includes identification of third party providers, risk-based determination of assessment need, and appropriate assessment/reassessment. Eastman uses internal tracking mechanisms to collect and monitor waste-related data.

401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Eastman’s total global voluntary turnover rate was 4.9%. We calculate voluntary turnover separately from retirements, company-initiated turnover and reductions in force. Total turnover rate was 11.2%

Attrition by gender	Attrition by age	Attrition by region	Hires by gender	Hires by age	Hires by region
Male employees: 11.3%	Less than 30 years: 12.7%	North America: 10.2%	Male employees: 12.4%	Less than 30 years: 37.6%	North America: 11.8%
Female employees: 11.1%	30 to 50 years: 9.4%	Europe, Middle East and Africa: 9.4%	Female employees: 15.3%	30 to 50 years: 12.5%	Europe, Middle East and Africa: 12.9%
	Greater than 50 years: 13.5%	Asia Pacific: 22.9%		Greater than 50 years: 2.7%	Asia Pacific: 20.1%
		Latin America: 6.8%			Latin America: 23.0%

403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Our culture is one of commitment to safety, accountability for actions and feedback on performance. We believe that every workplace incident, injury and illness is preventable. Our goal is to ensure personal safety for our employees. Preventing workplace incidents, injuries and illnesses is an integral part of our worldwide business strategy.

As with all aspects of sustainability, we continually strive to improve our workplace safety, with an ultimate goal of zero injuries and incidents. In 2012, we launched a global corporate initiative, ALL IN FOR SAFETY, to

further promote development of a culture of working and living safely. ALL IN FOR SAFETY is intended to place safety foremost in the thoughts and actions of each employee and to foster a culture of safety awareness and safe behaviors at all times and in all places. Eastman has a policy and is committed at all levels of management to protect and promote the health and safety of Eastman employees, contractors, and visitors. There are opportunities for employees to participate in development, implementation, and review of the health and safety programs.

Eastman performs health assessments to determine employee medical fitness for specific job tasks. Eastman monitors systems for maintaining records and analyzes data to evaluate health and safety performance, determine trends, and identify areas for improvement. Eastman also investigates illnesses, injuries, and incidents in a timely manner; creates corrective actions to prevent recurrence; and evaluates the effectiveness of corrective actions taken.

Eastman has developed methods to identify and evaluate potential health and safety risks in planned or existing facilities. Preventive maintenance and housekeeping programs are in place to maintain the safety of the employees, facilities, tools, and equipment.

Eastman maintains health and safety training programs, including documentation of these programs, and methods to evaluate the effectiveness of both training and communications activities.

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

Employee category	Hours
Professional/management	32
Nonexempt (nonoperational)	10
Nonexempt (operations)	38
Technicians/technologists	20
Average	25

405-1 – DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Gender	Age	Ethnicity
Male: 73.4%	Less than 30 yrs: 15.5%	Minority: 12%
Female: 26.6%	30–50 yrs: 51.1%	White: 88%
	Greater than 50 yrs: 33.4%	

413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

Eastman facilitates engagement efforts at global sites with support from employees with diverse skills and talents and a common commitment to the communities in which they live and work.

By forming and holding regularly scheduled meetings with 10 community advisory panels at our largest global manufacturing sites, Eastman company leaders continuously engage in open dialogue with a diverse set of community stakeholders and near neighbors around the world.

As a Responsible Care® company, we also operate a 24/7 Care Line phone number at company headquarters that community members can call for inquiries.

To encourage an inclusive culture, Eastman provides opportunities for employees to participate in resource groups for members and allies of the following communities: veterans and active duty military employees, Hispanics and Latinos, Black and African Americans, women, LGBTQ+ and the Asian and Pacific Islander community. Our employee resource groups are comprised of over 3,109 team members located in 19 countries around the globe. We have a global compliance line that provides a confidential way for employees and others to ask questions about Eastman policies as well as seek guidance or report concerns that may involve illegal activity or any other violations of the company’s Code of Business Conduct.

415-1 POLITICAL CONTRIBUTIONS

Eligible U.S. employees may contribute voluntarily to EastmanPAC, the Political Action Committee of Eastman. EastmanPAC is governed and overseen by an Executive Board and is comprised of members

from Eastman’s executive team. Additionally, the Advisory Council of EastmanPAC approves an annual budget proposed by the company’s government affairs professionals. The Advisory Council meets annually and is made up of a diverse group of U.S. Eastman leaders from business and functional organizations. EastmanPAC strives to elect candidates into office who meet the variety of criteria. Strong consideration is also given to those who share Eastman’s corporate values and the company’s commitment to drive positive change in site communities.

Criteria for candidates

- In a state/district with Eastman presence
- Demonstrates a commitment to supporting manufacturing and the chemical industry
- Key committee member or thought leader on issues of importance to Eastman
- House and Senate leadership
- Aligned with Eastman’s public policy priorities

In 2021, EastmanPAC contributed \$88,088 to state and federal candidates in the U.S. No political contributions are made to entities outside the U.S. Eastman works with outside vendors to file all reports and to make sure all contributions comply with state and federal campaign finance regulations. All of EastmanPAC’s Federal Election Commission (FEC) filings are available online at www.fec.gov, and disclosure reports are also available by visiting the state campaign finance websites in Alabama, California, Massachusetts, Tennessee and Texas. In states where the law allows corporate contributions, Eastman supports state candidates. No corporate contributions were made to state candidates in Tennessee in 2021. Corporate contributions to state candidates in Tennessee totaled \$18,000 in 2020. The federal government requires all registered lobbyists to report personal campaign contributions semiannually. Each year, Eastman employees who meet the requirements file the necessary reports. These reports are available online at <http://lobbyingdisclosure.house.gov/>. Eastman’s political activity policies and guidelines are located on its website: [Eastman Political Activity](#).

EASTMAN

Eastman Corporate Headquarters

P.O. Box 431
Kingsport, TN 37662-5280 U.S.A.

U.S.A. and Canada, 800-EASTMAN (800-327-8626)
Other Locations, +(1) 423-229-2000

www.eastman.com/locations

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