

## Welcome to your CDP Water Security Questionnaire 2023

### W0. Introduction

#### W0.1

**(W0.1) Give a general description of and introduction to your organization.**

Eastman is a global specialty materials company that produces a broad range of products found in items people use every day. With the purpose of enhancing the quality of life in a material way, Eastman works with customers to deliver innovative products and solutions while maintaining a commitment to safety and sustainability. The company's innovation-driven growth model takes advantage of world-class technology platforms, deep customer engagement, and differentiated application development to grow its leading positions in attractive end-markets such as transportation, building and construction, and consumables. As a globally inclusive and diverse company, Eastman employs approximately 14,000 people around the world and serves customers in more than 100 countries. The company had 2022 revenues of approximately \$10.6 billion and is headquartered in Kingsport, Tennessee, USA.

#### W-CH0.1a

**(W-CH0.1a) Which activities in the chemical sector does your organization engage in?**

- Bulk organic chemicals
- Bulk inorganic chemicals
- Specialty organic chemicals
- Other, please specify
- Polymers



## W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

## W0.3

**(W0.3) Select the countries/areas in which you operate.**

- Belgium
- Brazil
- China
- Estonia
- Finland
- Germany
- Malaysia
- Mexico
- Republic of Korea
- Spain
- United Kingdom of Great Britain and Northern Ireland
- United States of America

## W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

- USD



## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

### W0.6a

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Non-manufacturing, sales and administrative offices	Small, non-manufacturing water use which is insignificant and is less than 1% of total water usage.

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	EMN

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	<p>Water is a basic need for Eastman’s manufacturing operations. It is rated as of vital importance since water disruptions could compromise future production. Water is used in a variety of ways including as a solvent, as a product ingredient, for steam generation, for cooling, for washing, and for fire protection. There is also a need for sufficient potable water for on-site employees and contractors.</p> <p>In addition, many of our suppliers are petrochemical and chemical based. We believe their dependence on water resources is important because their water requirements and uses are similar to Eastman's. Customers have started asking for the water footprint of our products more frequently over the past few years, so it has become more important to quantify and reduce this footprint to retain current customers and obtain new customers.</p> <p>Related to future water dependency, Eastman does not expect total water dependency to change dramatically over time but does expect freshwater consumption to continue to be minimal and possibly decrease with a move to more recycled water. Likewise, Eastman expects that indirect operations will likely continue to have a similar total dependence on water with freshwater needs decreasing as more attention is placed on increasing water reuse. With the escalating importance of water, we would expect to see these trends develop before 2030.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	<p>Eastman recycles water in manufacturing operations to reduce water demand, raw water treatment costs, and to enhance energy and water efficiency. Essential recycle operations include condensate recovery and reuse and recirculating cooling tower water as well as reuse of water within some processes for heat recovery and reduced water usage. Eastman seeks to use lower quality water when available and expect these uses to increase over time relative to fresh water as fresh water becomes less accessible and as treatment of brackish water costs decrease over time. However, overall total consumption is likely to remain</p>



		<p>relatively constant over time such that freshwater consumption decreases, and brackish water consumption increases. To promote the use of lower quality waters when available, Eastman uses "true cost" of water so that the addition of energy and chemicals to treat the water is considered in the water selected for use.</p> <p>In addition, many of our suppliers are petrochemical and chemical based. Their water requirements and uses are similar to Eastman's and we would expect them to show similar trends. That is, they are likely to continue to use a similar amount of water but expect they would also decrease the amount of fresh water and increase the amount of recycled water. Customers have started asking for the water footprint of our products more frequently over the past few years, so it has become more important to quantify and reduce this footprint to retain current customers and obtain new customers.</p> <p>Related to future water dependency, Eastman does not expect total water dependency to change dramatically over time but does expect freshwater consumption to continue to be minimal and possibly decreased, considering the increase of recycled water consumption. Likewise, Eastman expects that indirect operations will likely increase water reuse / recycled consumption.</p>
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## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Daily	Various flow measuring devices or methods	The amount of water withdrawn is most often monitored or metered via digital control systems. These systems include flow probes and data logging at prescribed intervals, typically a logged measurement every ten seconds or less. Several of our sites are dependent on



				<p>public utility metering systems and are typically low volume water users. Data is retained at the site level and reported to corporate Global Health, Safety &amp; Environmental annually by volume and source. Corporate campus and regional non-manufacturing sales and administrative offices are excluded from the reported totals but are monitored, most commonly by public utility metering systems. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume.</p>
Water withdrawals – volumes by source	100%	Daily	Various flow measuring devices or methods	<p>The amount of water withdrawn is most often monitored or metered via digital control systems. These systems include flow probes and data logging at prescribed intervals, typically a logged measurement every ten seconds or less. Several of our sites are dependent on public utility metering systems and are typically low volume water users. Data is retained at the site level and reported to corporate Global Health, Safety &amp; Environmental annually by volume and source. Corporate campus and regional non-manufacturing sales and administrative offices are excluded from the reported totals but are monitored. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume.</p>
Water withdrawals quality	100%	Daily	Various flow measuring devices or methods	<p>The quality of the water brought on a site can vary. Water withdrawals quality is monitored at the manufacturing site level quality laboratories, under</p>



				standards for which the water will be used, using flow meters, automatic water samplers and lab testing as needed. Water from non-municipal sources is often treated by the sites to ensure it is adequate for the site's needs (pre-treatment). The frequency is determined by facility but ranges from continuous to monthly analysis. Corporate campus and regional non-manufacturing sales and administrative offices are excluded as they use municipal potable water sources. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume.
Water discharges – total volumes	100%	Daily	Various flow measuring devices or methods	The amount of water discharged is typically monitored or metered via digital control systems. These systems include data logging at prescribed intervals. Water discharge quality is monitored at the manufacturing site level per regulatory requirements, using flow meters, automatic water samplers and lab testing as needed. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume.
Water discharges – volumes by destination	100%	Daily	Various flow measuring devices or methods	The amount of water discharged is typically monitored or metered via digital control systems. These systems include data logging at prescribed intervals. Water discharge quality is monitored at the manufacturing site level per regulatory requirements, using flow meters, automatic water samplers and laboratory testing as



				needed. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume.
Water discharges – volumes by treatment method	100%	Daily	Various flow measuring devices or methods	The amount of water discharged is typically monitored or metered via digital control systems. These systems include data logging at prescribed intervals. Water discharge quality is monitored at the manufacturing site level per regulatory requirements, using flow meters, automatic water samplers and lab testing as needed. In most cases, pre-treatment of the waste water occurs prior to discharge to either a municipal waste water treatment plant or directly to a body of water. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume.
Water discharge quality – by standard effluent parameters	100%	Other, please specify Dependent on permit conditions or local requirements	Testing methods by permit conditions or local requirements	Water is discharged complying with parameters outlined in either a discharge permit or in accordance with a local publicly owned treatment works. In many cases, pre-treatment is performed prior to discharge. The quality of the wastewater discharge is monitored and recorded as designated by discharge permits. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent



				less than 1% of total water discharge, which is immaterial considering the total volume.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	100%	Other, please specify Dependent on permit conditions or local requirements	Testing methods by permit conditions or local requirements	Water is discharged complying with parameters outlined in either a discharge permit or in accordance with a local publicly owned treatment works. The amount of water discharged is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume.
Water discharge quality – temperature	100%	Other, please specify Dependent on permit conditions or local requirements	Testing methods by permit conditions or local requirements	Water is discharged complying with parameters outlined in either a discharge permit or in accordance with a local publicly owned treatment works. The amount of water discharged is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume.
Water consumption – total volume	100%	Daily	Various flow measuring devices or methods	Water withdrawn and discharged data from each site is submitted annually to the corporate office where it is analyzed and compiled. The amount of water consumed is determined by the difference of water



				withdrawn and discharged. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water consumption, which is immaterial considering the total volume.
Water recycled/reused	100%	Daily	Various flow measuring devices or methods	Water recycled is determined in various ways across the company. Typically this is measured via a data logging metering system which could be direct (cooling tower flow) or indirect (steam condensate return). Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Unknown	N/A	Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume. . In 2023, all Eastman manufacturing sites are performing the Water, Sanitation, and Hygiene (WASH) self-assessment developed by the World Business Council for Sustainable Development (WBCSD) to identify gaps for improvement in WASH services for all employees.



## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	768,944.64	Lower	Facility closure	About the same	Increase/decrease in business activity	Total withdrawals are monitored for all manufacturing sites. Water withdrawal compared to 2021 was 10% lower. This change is likely due to a variety of reasons including site closings and site divestitures. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures and acquisitions.
Total discharges	669,417.68	Lower	Facility closure	About the same	Increase/decrease in business activity	Total discharges are monitored for all manufacturing sites. The discharge amount decreased 18% when compared to 2021. Reported reduced discharge quantities are attributed to reduced water withdraw, discharge flow meter calibrations issues, site closings and site divestitures. Our reported reduced discharge quantities are partially attributed to an issue with our discharge flow meter calibration which has



						since been remedied and is now monitored monthly. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures, acquisitions, and weather.
Total consumption	99,526.96	Higher	Other, please specify Discharge flow meter calibration issue	About the same	Increase/decrease in business activity	Total withdrawals and discharges are monitored for all manufacturing sites. While the total reported consumption of water shows an increase of by 14% compared to 2021, our actual water consumption was lower than reported due to the discharge flow meter calibration issues resulting in a lower discharge. This issue has been remedied and is now monitored monthly. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures, acquisitions, and weather.



## W1.2d

**(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	Less than 1%	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in business activity	WRI Aqueduct WWF Water Risk Filter	Both World Resources Institute's Aqueduct™ and World Wildlife Fund's Water Risk Filter™ tools are used annually to identify manufacturing sites located in areas with water stress using scores of 'high' or higher for basin risk indicators: total water risk, baseline water stress, baseline water depletion, blue water scarcity, and available water remaining (AWARE). Sites located in areas with water stress represent less than 1% of Eastman's total water withdrawals, discharges, and consumption. These sites adhere to Eastman's Environmental Stewardship Policy and our



								Responsible Care® Principles. Both emphasize conservation of natural resources, use of material and energy efficiency, and strive to reduce emissions, discharges, and water through reduction, reuse and recycling.
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## W1.2h

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	751,014.76	Lower	Facility closure	Total withdrawals are monitored for all manufacturing sites. Water withdrawal compared to 2021 was lower by 10%. This change is likely due to a variety of reasons: site closings and site divestitures.
Brackish surface water/Seawater	Not relevant				Eastman does not withdraw from brackish surface water/seawater.
Groundwater – renewable	Relevant	1,994.79	Lower	Increase/decrease in business activity	Total water withdrawals from renewable groundwater decreased and represents less than 0.3% of total water withdrawals.
Groundwater – non-renewable	Not relevant				Eastman does not use groundwater from non-renewable wells.



Produced/Entrained water	Not relevant				Produced water in processing of chemicals represents less than 1% of the total water usage.
Third party sources	Relevant	15,935.1	About the same	Increase/decrease in business activity	Total water withdrawals from third party sources remained about the same. Third party withdrawals, municipal water, represent about 2% of total water withdrawals.

## W1.2i

### (W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	658,571.83	Lower	Other, please specify Water measurement tool issue	Reported water discharges decreased by 18% from 2021 which can be attributed to discharge flow meter calibration issues. The issue has been remedied and is being monitored monthly.
Brackish surface water/seawater	Relevant	971.51	Much lower	Change in accounting methodology	Reduction due to discharge previously reported as going to ocean actually goes to off-site treatment. Also due to reduction in rainfall resulting in less overflow from rainwater collection ponds to ocean.
Groundwater	Relevant	648.02	Higher	Increase/decrease in business activity	Total water discharges from renewable groundwater increased by 17%.
Third-party destinations	Relevant	9,226.32	Lower	Increase/decrease in business activity	Total water discharges to a third party destination decreased by 5%. The change is due to fluctuations



					in the amount of wastewater requiring off site treatment (i.e. a reduction of cleaning operations).
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## W1.2j

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Please explain
Tertiary treatment	Relevant but volume unknown	Treatment level used but not distinguished in data collection
Secondary treatment	Relevant but volume unknown	Treatment level used but not distinguished in data collection
Primary treatment only	Relevant but volume unknown	Treatment level used but not distinguished in data collection
Discharge to the natural environment without treatment	Relevant but volume unknown	Treatment level used but not distinguished in data collection
Discharge to a third party without treatment	Relevant but volume unknown	Treatment level used but not distinguished in data collection
Other	Not relevant	Not applicable

## W1.2k

**(W1.2k) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.**

Emissions to water in the reporting	Category(ies) of substances included	List the specific substances included	Please explain



	year (metric tonnes)			
Row 1	0	Nitrates Phosphates Priority substances listed under the EU Water Framework Directive	Nitrates Total Phosphorus Priority substances listed under the EU Water Framework Directive	Although the reported figure in column 1 is 0, the actual figure is not disclosed by Eastman in this reporting year because water containing the substances listed, if any, is discharged complying with parameters outlined in either a direct discharge permit or in accordance with a permit issued by a local publicly owned treatment works. The frequency in which the substance is measured varies based on substance and location. Monitoring of these substances is done in compliance with our permits.

### W1.3

**(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	10,580,000,000	768,935.49	13,759.2816791432	Future water use is anticipated to remain consistent in future years.

### W-CH1.3

**(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?**

No, and we have no plans to do so in the next two years

### W1.4

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances
Row 1	Yes

## W1.4a

**(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?**

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)	Less than 10%	Eastman understands that some chemicals possess inherent hazards when used in certain applications. Some of these chemicals are found on multiple of the regulatory lists indicated in this question, potentially causing the % sales response to skew high as a single chemical could be counted multiple times. Additionally, the indicated ranges (e.g. < 10%) of sales can perpetuate the perception of a higher sales %. In compliance with global regulatory requirements, Eastman performs hazard and risk assessments on 100% of its products. Findings from the analysis are evaluated to potentially identify viable, alternative materials.
List of substances (Canadian Environmental Protection Act)	Less than 10%	Members of the global Product Stewardship and Regulatory Affairs (PSRA) program, no less than annually, monitor, measure and report hazardous substances identified on certain governmental, quasi-governmental and nongovernmental organization lists or covered by international conventions. Monitored lists include the EU REACH Candidate List of Substances of Very High Concern for Authorisation (SVHC); the International Agency for Research on Cancer (IARC) List of Classifications; the National Toxicology Program Report on Carcinogens; the Rotterdam Convention Annex III List of Chemicals Subject to Prior Informed Consent (PIC); and California’s Proposition 65 List. Eastman is actively working to expand the lists monitored and measured according to the above statement, to include the relevant lists given in this question; to provide a more comprehensive answer in subsequent years.



## W1.5

**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

## W1.5a

**(W1.5a) Do you assess your suppliers according to their impact on water security?**

Row 1

**Assessment of supplier impact**

Yes, we assess the impact of our suppliers

**Considered in assessment**

Other, please specify

Water policies in place, Overall quantification of objectives set on water, Wastewater quality assessments, On-site of off-site wastewater treatment, Water auditing performed and practices to reuse water

**Number of suppliers identified as having a substantive impact**

0

**% of total suppliers identified as having a substantive impact**

Unknown

**Please explain**

While we have not yet identified suppliers as having a substantive impact on water security, Eastman is currently using the TfS (Together for Sustainability) audits and EcoVadis assessments to evaluate our Supplier's sustainability practices. Some examples of actions on this topic that



our suppliers report on via EcoVadis include: water treatment, recycling and reuse, reduction of wastewater discharge, and measurement & control mechanisms for organic water pollutant (BOD) or chemical oxygen demand (COD). These indicators relate to suppliers' overall impacts on water security. Eastman Procurement's standard for EcoVadis scoring is 44. While this score is not a distinct cut-off line for suppliers, it is meant to be a good indication of a vendor's commitment to sustainability and water stewardship.

## W1.5b

**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?**

Suppliers have to meet specific water-related requirements	
Row 1	Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts

## W1.5c

**(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.**

**Water-related requirement**

Complying with going beyond water-related regulatory requirements

**% of suppliers with a substantive impact required to comply with this water-related requirement**

100%

**% of suppliers with a substantive impact in compliance with this water-related requirement**

Unknown

**Mechanisms for monitoring compliance with this water-related requirement**

Supplier self-assessment

Supplier scorecard or rating



**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

While we have not identified suppliers with substantive impact to water security, we have indicated that 100% of suppliers are required to comply with our water-related requirement because this requirement applies to all suppliers. Eastman's suppliers are expected to comply with Eastman's third party Code of Business Conduct, which states that providers must be committed to reducing their environmental impact by: (a) obtaining and complying with all required environmental permits, licenses, information registrations, and restrictions; (b) ensuring safe handling, movement, storage, recycling, reuse, and management of waste, air emissions, and wastewater discharges; and (c) preventing and mitigating accidental spills and releases to the environment. Providers should endeavor to reduce or eliminate waste of all types, including water and energy.

**W1.5d**

**(W1.5d) Provide details of any other water-related supplier engagement activity.**

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**Type of engagement**

Information collection

**Details of engagement**

Collect water management information at least annually from suppliers

Other, please specify

Collect existing water policies, water goals, wastewater quality assessments, water auditing and reuse practices from suppliers

**% of suppliers by number**

51-75

**% of suppliers with a substantive impact**

Unknown



### **Rationale for your engagement**

We are institutionalizing a systemic approach to assessing our suppliers. We are initially focusing on suppliers with the highest direct spend and then expanding to our lower direct spend suppliers. Our engagement currently covers 75% of Direct raw material suppliers with 2022 spend >\$1M and 69% of Direct raw material spend with suppliers of 2022 spend >\$1M. The intent is then to engage with lower-scoring suppliers to help drive improvements. Suppliers are rated per the completeness of their responses, with water use being one of the metrics in which they are judged.

### **Impact of the engagement and measures of success**

Eastman is measuring the success of our engagement in the following four ways, with the thresholds of success defined as an increase in the number of assessments completed by our suppliers, improved scores on our suppliers' Ecovadis assessments each year, and 3rd party conducted supplier audits using the Together for Sustainability (TfS) methodology. Positive outcome (1): In 2022, Eastman increased the number of its Direct and Indirect suppliers that had a valid (< 3 years old) Ecovadis assessment from 658 to 704 suppliers (296 in 2019). Positive outcome (2): In 2022, 462 suppliers (411 in 2021) completed new assessments or completed reassessments. Positive outcome (3): Another outcome achieved from our engagement strategy is the improvement in overall Ecovadis scored earned. Of those suppliers who performed a reassessment in 2022, 68% achieved an improvement in their overall Ecovadis Score, which was an increase from the 66% achieved in 2021 (55% achieved in 2020 and 52% achieved in 2019). Positive outcome (4): In 2022 Eastman completed 6 on-site, 3rd party conducted supplier audits, using the Together for Sustainability (TfS) methodology.

### **Comment**

## **W1.5e**

**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

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#### **Type of stakeholder**

Customers

#### **Type of engagement**



Education / information sharing

**Details of engagement**

Share information about your products and relevant certification schemes

**Rationale for your engagement**

We have conducted LCAs on approximately 80% of our products. We share these results with customers upon request and use that request as an opportunity to engage with them in a deeper dialogue regarding our commitment to reducing our collective water footprint. All partners are able to visit our external website to review Eastman’s Sustainability Report, EcoVadis Scores GRI Report and CDP submissions

**Impact of the engagement and measures of success**

All of these efforts allow us to develop deeper engagement and shared alignment with customers who place value on sustainability/water-related commitments. Since these efforts are becoming more critical to obtaining business with many of our customers, our primary measure of success is maintaining and growing market share with those customers. Partially as a result of customer engagements, Eastman has dedicated to aligning 100% of growth R&D spends with sustainable macro trends by 2030.

## W2. Business impacts

### W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

### W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Fines, but none that are considered as significant	



		Enforcement orders or other penalties but none that are considered as significant
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## W2.2a

**(W2.2a) Provide the total number and financial value of all water-related fines.**

**Row 1**

**Total number of fines**

2

**Total value of fines**

5,500

**% of total facilities/operations associated**

1

**Number of fines compared to previous reporting year**

About the same

**Comment**

Water-related fines are historically low. The dollar value of the fine in 2022 does not reach a level that would be 'material' information as defined by applicable law and thus requiring public disclosure to investors. Nevertheless, Eastman team members foster a 'Zero Incident Mindset', seeking to ensure our operations comply with all legal requirements. Any instance of alleged noncompliance is taken seriously regardless of the level of the fines, or whether a disclosure is required.



## W3. Procedures

### W3.1

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	<p>We maintain pollution prevention and waste minimization programs designed to achieve ongoing reductions in the amount of contaminants that may be released to the water. A hierarchical waste management strategy and process is followed. This process emphasizes maximizing the conversion of raw materials into marketable products and minimizing the creation of waste. Increasing product yields is an ongoing, continuous priority for our research and manufacturing groups. When byproducts are produced they are evaluated and, if possible, used as feed stocks in other Eastman operations. When recovery or reuse options are exhausted, waste is evaluated and, based on treatability and regulatory constraints, assigned to an appropriate treatment unit. Eastman complies with related government issued permits or licenses to demonstrate that the treated discharges do not degrade the receiving surface waters and that all applicable water quality standards are met. Eastman uses indicators and metrics provided by the Globally Harmonized System (GHS) for Hazard Classification and Labelling to classify our products (including potential water pollutants) and intermediates.</p> <p>Our two largest sites, which are responsible for 90% of Eastman’s water usage, have voluntarily conducted numerous river studies through a third party (the Academy of Natural Sciences) to ensure that Eastman is not having a negative impact on the rivers’ water quality, plants, fish, macroinvertebrates, or insects.</p>

## W3.1a

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

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### **Water pollutant category**

Microplastics and plastic particles

### **Description of water pollutant and potential impacts**

Removing plastics in the environment reducing plastic prevalence in the earth's waterways.

### **Value chain stage**

Direct operations  
Supply chain  
Product use phase

### **Actions and procedures to minimize adverse impacts**

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience  
Resource recovery  
Beyond compliance with regulatory requirements  
Provision of best practice instructions on product use  
Upgrading of process equipment/methods

### **Please explain**

Eastman has implemented Operation Clean Sweep at all manufacturing facilities. Operation Clean Sweep® (OCS) is an international program designed to keep materials from production — such as copolyester pellets and acetate flake — completely in the production process, so there is no chance they will enter the environment. We have implemented the no-material-loss expectations of OCS across the company. Fulfilling our goal, we have committed to the Operation Clean Sweep® blue program. We have also enhanced our internal reporting to better capture data associated with pellet, flake and powder containment loss. Our metric of success is reportable plastic pellet losses to the



environment outside company-operated facilities We are pleased to report that there have been no known reportable plastic pellet losses to the environment outside company-operated facilities.

Eastman follows the guidelines as prescribed in the Operation Clean Sweep blue Framework Verification which includes written program outlining requirements; facility assessment for situations, risks and opportunities; employee training; and both corporate and facility program audits that are documented in Eastman's incident management system in order to track corrective actions to closure.

Pellet/flake/powder loss is incorporated in Eastman's Environmental Performance Indices (EPI's) program. EPI goals are determined for individual sites and company-wide. EPI trends are published on Eastman's external website.

### W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

### W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

---

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as a standalone issue

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Other

**Tools and methods used**

WRI Aqueduct

WWF Water Risk Filter

Other, please specify

Internal company methods; Source Water Vulnerability Assessment

**Contextual issues considered**

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Impact on human health

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers

Employees

Investors

Local communities

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

**Comment**

Eastman performs a more comprehensive American Chemistry Council Water Body Risk Assessment at sites with higher freshwater withdrawals and sites in water stressed regions, which includes a source water vulnerability assessment and an internal site water risk assessment.

In 2023, Eastman began using World Wildlife Fund's new Biodiversity Risk Filter™ tool to assess the status of ecosystems and habitats.

In 2023, all Eastman manufacturing sites are performing the Water, Sanitation, and Hygiene (WASH) self-assessment developed by the World Business Council for Sustainable Development (WBCSD) to identify gaps for improvement in WASH services for all employees.

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**Value chain stage**

Supply chain

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Every three years or more

**How far into the future are risks considered?**

3 to 6 years

**Type of tools and methods used**

Tools on the market



**Tools and methods used**

Other, please specify  
 Ecovadis assessment

**Contextual issues considered**

Implications of water on your key commodities/raw materials  
 Water regulatory frameworks  
 Status of ecosystems and habitats  
 Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Suppliers

**Comment**

Eastman is committed to responsible sourcing and is driving an initiative to focus on the top 80% of our direct spend and leveraging EcoVadis to assess those suppliers regarding sustainability, including their water management practices.

**W3.3b**

**(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	Eastman uses WRI Aqueduct and WWF Water Risk Filter annually to assess current basin risks and projected basin risks to 2040 and 2050 for each manufacturing site. The basin risks we focus on include total water risk, baseline	Water is a basic need for our manufacturing operations. Both source and basin water availability and quality are essential to Eastman's current operations, growth, and social license to operate. These same	Eastman must assess and manage water risks to ensure continued operations, which is essential for supplying products to customers, jobs for employees, and returns for investors. Eastman must adhere	Manufacturing sites with high freshwater withdrawals, basin risk scores of 'high' or 'higher' for any of the WRI Aqueduct / WWF Water Risk Filter risk indicators identified in column 1, or other known water risks require a Water Body Risk Assessment (WBRA). If the WBRA confirms a high water



<p>water stress, baseline water depletion, blue water scarcity, available water remaining (AWARE), and projected water stress. At sites with higher freshwater withdrawals and sites in water stressed regions, Eastman also performs a more comprehensive Water Body Risk Assessment (WBRA). The WBRA utilizes data, local knowledge, and stakeholder engagement to perform a source water vulnerability assessment and an internal site water risk assessment.</p> <p>In 2023, all Eastman manufacturing sites are performing the Water, Sanitation, and Hygiene (WASH) self-assessment developed by the World Business Council for Sustainable Development to identify opportunities in WASH services for all employees. Eastman is a member of Together for Sustainability (TfS), a procurement-led initiative focused</p>	<p>issues also affect our suppliers and their ability to provide raw materials to us.</p> <p>Eastman works with trade associations to address common source and basin water availability and quality issues. For example, Eastman is participating in a chemical industry workgroup preparing a quantitative water reduction proposal to the government in Belgium. Water is also a basic need for our employees and the people in the communities in which we operate. Eastman acknowledges the human right to water and sanitation and the impact on human health when quality water and sanitation are not available. Next year we will study the 2023 WASH self-assessment gaps at all our manufacturing sites and identify opportunities for improvement.</p> <p>Eastman has had The Academy of Natural Sciences of Drexel</p>	<p>to or exceed water regulations in order to protect ecosystems / habitats and ensure abundant quality water for the communities in which we operate and downstream communities in the basin. Eastman depends on local water utilities for a reliable supply of quality potable water for human needs and some process uses. We also depend on local water utilities for reliable wastewater treatment.</p>	<p>risk, studies are initiated to identify opportunities or projects to mitigate the risk. Studies are performed at the site level, sometimes with the assistance of internal corporate resources and/or outside collaborations/resources. Site water risks are elevated to Eastman's Sustainability Council by the Water Excellence Work Group through the Environmental Impact Sub-Council.</p> <p>Suppliers are evaluated by EcoVadis and other in-house vendor evaluation tools. Water risks, including quantity and quality, as well as regulatory and community restraints, are site issues that are managed as key infrastructure elements that govern viability and potential growth of every site. The decision to establish a site includes an evaluation of the water resources and annual decisions concerning the siting of new processes are largely determined on the assessment of infrastructure needs.</p> <p>In 2023, all Eastman manufacturing sites are performing the Water, Sanitation, and Hygiene (WASH) self-assessment developed by the World Business Council for Sustainable Development to identify</p>
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<p>on elevating the sustainability of the supply chain for the chemical industry. Eastman is committed to responsible sourcing and is focusing on the top 80% of our direct spend by leveraging EcoVadis to assess those suppliers regarding sustainability, including their water management practices. EcoVadis scores identify opportunities where Eastman may help drive improvements with suppliers, where appropriate, and help to ensure Eastman is working with responsible partners.</p>	<p>University perform multiple monitoring studies of the South Fork Holston River and the Sabine River; the source water bodies for our two largest manufacturing sites. We established a new Biodiversity Workgroup in 2022 and we are using the new WWF Biodiversity Risk Filter tool.</p>		<p>opportunities in WASH services for all employees.</p>
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## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

No

### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**





Eastman defines a substantive impact as one that would require significant additional and increased capital expenditures, increases in costs for raw materials and energy, limitations on raw material and energy source and supply choices, or other direct compliance costs.

Eastman uses accumulated earnings or slower growth as quantifiable indicators to define substantive financial or strategic impact. Climate risk severity impact levels varies from Low (< \$50 M accumulated losses or 10% slower growth) to Very High (> \$250 M accumulated losses or 50% slower growth).

## W4.2b

**(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Eastman utilizes World Resources Institute’s Aqueduct™ tool to identify sites in water-stressed regions. Less than 1% of Eastman’s water withdrawal is in water-stressed regions. Water quantity and quality are considered in new site siting decisions. In addition, water reuse opportunities are identified and exploited to reduce water requirements. For example, condensate return is emphasized, and heat integration reuses the thermal energy of water streams. Eastman has a broad portfolio of products and this diversification mitigates the impact of risk to any particular product or site. The risks are not expected to require significant additional and increased capital expenditures, increases in costs for raw materials and energy, limitations on raw material and energy source and supply choices, or other direct compliance costs. This was evident in 2017 when a number of hurricanes hit the United States but had no substantive impact on Eastman’s ability to fill orders and satisfy customer needs.

## W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Water related issues have not risen to a substantive level for Eastman. Eastman has a diverse raw material and commodity supply chain which minimizes our risk when there are issues with severe weather events or other events beyond our control and our supply chain. The risks are not expected to require significant additional and increased capital expenditures,

		<p>increases in costs for raw materials and energy, limitations on raw material and energy source and supply choices, or other direct compliance costs .This was evident in 2017 when a number of hurricanes hit the United States but had no substantive impact on Eastman’s ability to fill orders and satisfy customer needs. In addition, our key suppliers are routinely risk assessed and our contracting process surfaces issues of this nature where they are dealt with contractually. Any new supplier is vetted through Eastman's process.</p>
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### W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

### W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

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**Type of opportunity**

Products and services

**Primary water-related opportunity**

Increased sales of existing products/services

**Company-specific description & strategy to realize opportunity**

Eastman sells bio-based polymers, cellulose esters, into membrane filtration to purify water or water-based products such as fruit juices, wine, beer, and dairy products. Offering a range of Eastman Membrane products allows the membrane producer to obtain the targeted membrane functionality. Eastman has significant technical expertise in our research and development and technical service departments to assist with product selection. Eastman assesses this to be a strategic opportunity given the Company’s significant technical expertise and the potential for this to lead to increased market share and revenues in this area. For example, Eastman’s cellulosic membrane materials are used in



microfiltration and in forward/reverse osmosis membranes, both in industrial applications and personal hydration systems. The outcome of realizing this opportunity/initiative is \$1,000,000-\$5,000,000 in financial impact and the timescale is current and ongoing.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

1,000,000

**Potential financial impact figure – maximum (currency)**

5,000,000

**Explanation of financial impact**

As the world's leading supplier of specialty cellulose esters for more than 85 years, Eastman has a long history of reliably supplying customers with consistently high-quality products manufactured using advanced processes and controls. Eastman has a diverse portfolio of more than 50 cellulose esters for a variety of applications. The potential financial impact range is a calculated estimate of sales figures related to this line of Eastman products.



## W6. Governance


### W6.1

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

### W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation	Eastman recognizes the social and environmental importance of water, the connection between water and climate change, the human right to water and sanitation, as well as our operational dependence on water. Eastman's new corporate Water Policy publicly states our commitment to managing water responsibly and applying technology and knowledge to innovations for water. Even though our Water Policy does not explicitly state a commitment to WASH in the workplace, in 2023, all Eastman manufacturing sites will complete the Water, Sanitation, and Hygiene (WASH) Self-Assessment to identify gaps where we need to improve.  1

		Recognition of environmental linkages, for example, due to climate change	
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 1Eastman Water Policy Content (1).docx

## W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

## W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Director on board	<p>At the highest level, the Audit Committee of Eastman’s Board of Directors has responsibility for Eastman’s Enterprise Risk Management (ERM) process which includes management of all risks, including water-related risks. The Audit committee is chaired by a specific Director.</p> <p>The Eastman Board of Directors also has an Environmental, Safety, and Sustainability (ESS) Committee which has broad and dedicated oversight for ESG matters affecting the Company. Water-related issues are a part of the Committee’s oversight responsibility. The ESS Committee of the Eastman Board is chaired by a specific Director and includes every member of the Board. The ESS Committee routinely receives updates and presentations on water-related risks and issues. For example, the ESS Committee is updated at least annually on the HSE Audit program which includes water management.</p> <p>The Finance Committee of Eastman’s Board of Directors reviews new capital projects and reviews water issues as part of that process. For example, in 2020, the Board approved the methanolysis project with consideration of water requirements. The Finance</p>

	Committee and the full Board review and address water scarcity issues that are surfaced. The Finance Committee is chaired by a specific Director.
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## W6.2b

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	<p>The Audit Committee of Eastman’s Board of Directors has oversight responsibility for Eastman’s Enterprise Risk Management (ERM) process which includes management of all risks, including water-related risks. A risk review is conducted with the Audit Committee at least once per year. Eastman personnel provide the Audit Committee with semi-annual reports on regulatory and legislative developments, including water-related initiatives, that have the potential to affect the Company’s operations. As part of the ERM process, appropriate mitigation plans are developed. The Audit Committee is involved in setting performance objectives.</p> <p>The Finance Committee of Eastman’s Board of Directors oversees acquisitions and divestitures and major capital expenditures. Water issues are reviewed as part of the acquisitions and capital project review process.</p> <p>The Eastman Board of Directors also has an Environmental, Safety, and Sustainability (ESS) Committee which has broad and dedicated oversight for ESG matters affecting the Company. Water-related issues are a part of the Committee’s oversight responsibility. The ESS Committee of the Eastman Board is chaired by a specific Director and includes every member of the Board. The ESS Committee routinely receives updates and presentations such as our Global HSES Audit Program which includes water-related risks and issues and</p>



			<p>provides input on strategy.</p> <p>The Finance Committee of Eastman’s Board of Directors reviews new capital projects and reviews water issues as part of that process. The Finance Committee and the full Board review and address water scarcity issues that are surfaced. The Finance Committee is chaired by a specific Director.</p>
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## W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	Chemical industry and specialty materials strategy, technology, innovation, and manufacturing experience. We are currently raising expectations on levels of competence of Board members on specific subjects, with water being one of those. The Committee Chair has expertise across various business, operational and ESG issues. We see opportunity to build depth of knowledge on water-related issues specifically and plan to accomplish that through specific Board training coursework.

## W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)



**Water-related responsibilities of this position**

- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Managing annual budgets relating to water security

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

The CSO reports directly to the CEO and Chairman of the Board and is responsible for driving sustainability throughout the company including responsible use of water. Examples of reports pertaining to water given to the Board of Directors include regulatory updates, water resource management overview, updates on issues such as plastics in the ocean and water pollution in China, work with the Southern California Coastal Water Research Project, annual updates on our Global HSES Audit Program which includes compliance with water regulations and permits, and our Sustainability Report. The CSO is responsible for both Eastman's Technology and Sustainability organizations and is also the CMSE. As such, he is responsible for maintaining water supply and ensuring compliance with all regulations.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

**W6.4a**

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
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<p>Monetary reward</p>	<p>Other C-suite Officer Chief Manufacturing, Supply Chain, and Engineering Officer (CMSE)</p>	<p>Other, please specify Responsible water management is included in Eastman's Zero Incident Mindset initiative</p>	<p>Eastman requires all employees to complete Zero Incident Mindset (ZIM) training, which is risk-based. ZIM is centered on complete focus on each activity at hand – viewing all incidents as preventable in all categories. We define “incident” as, “an unanticipated event that normally requires time or money to correct – often due to a departure from our core values, expected behaviors and principles.”</p> <p>Expectations for application mean that no deviation from normal operations is tolerated. An example is the adoption of the Operation Clean Sweep Program (OCS), a product stewardship program of ACC and the Plastics Industry Association focused on the implementation of good housekeeping and containment practices to achieve zero pellet, flake and powder loss.</p> <p>The ZIM initiative is included in the CMSE's Personal Performance Commitments and is considered during compensation review for variable compensation awards.</p>	<p>In alignment with our zero-incident mindset, Eastman has committed to strive for zero pellet, flake and powder loss. That aligns with our pledge to Operation Clean Sweep® (OCS), an international program designed to keep materials from production — such as copolyester pellets and acetate flake — completely in the production process, so there is no chance they will enter the environment. We have implemented the no-material-loss expectations of OCS across the company, and we have benchmarked with other OCS companies to understand best practices and learn from their program implementations and their decision to take the next step to OCS blue.</p> <p>Fulfilling our goal, we have committed to the Operation Clean Sweep® blue program. We have also enhanced our internal reporting to better capture data associated with pellet, flake and powder containment loss. We are pleased to report that there have been no known reportable plastic pellet losses to the environment outside company-operated facilities.</p>
<p>Non-monetary reward</p>	<p>No one is entitled to these incentives</p>			

## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

## W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Direct engagements with policy makers and trade associations are overseen by the Company's Government Affairs organization and are intended to be consistent with and supportive of Eastman policies and commitments. Structure is in place through the Sustainability Council and sub-councils; the Issue Management Council; and groups such as the Global HSES Advocacy Network Team to review positions and gain alignment. This structure exists in part to drive consistency across the Company. Any inconsistency that may arise between the positions or needs of a specific site, geography, business or function and the general Eastman policies and commitments is addressed through this structure. The extent and implication of any inconsistency is evaluated, and corrective action can be taken to address the particular situation and need. For example, the Environmental Sub-Council which is part of Eastman's Sustainability Governance structure would address inconsistencies through development of sub-teams or as a Sub-Council. Public policy overviews and activities for selected areas (including environment and natural resources) are presented to the Board of Directors at least annually. Funding for research organizations with respect to water issues is managed through either Global Public Affairs or Technology. Funded research is either in support of Economic Success, Social Wellbeing and Environmental Integrity pillars significant to Eastman or strategic to business opportunities.

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

- No, and we have no plans to do so

## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	<p>While Eastman has not identified significant water risks with substantive impact, water issues are integrated into long-term business objectives. Eastman is advantaged in that the vast majority of Eastman sites are not in water-stressed areas which minimizes our potential risks. Nevertheless, the leadership teams for each of Eastman’s Business Units consider water risks including the potential impacts of the loss of primary containment of raw materials, intermediate and products that could potentially impact water quality.</p> <p>***For example, The Finance Committee of Eastman’s Board of Directors oversees acquisitions and divestitures and major capital expenditures. Water issues are reviewed as part of the acquisitions and capital project review process in support of achieving long-term business objectives.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	<p>While Eastman has not identified significant water risks with substantive impact, water issues are integrated into our strategy for achieving our long-term business objectives. Eastman is advantaged in that the vast majority of Eastman sites are not in water-stressed areas which minimizes our potential risks. Nevertheless, the leadership teams for each of Eastman’s Business Units consider water risks including the potential impacts of the loss of primary containment of raw materials, intermediate and products that could potentially impact water quality.</p> <p>***For example, Eastman utilizes World Resources Institute’s Aqueduct™ tool to identify sites in water-stressed regions. Water quantity and quality are considered in siting decisions. In addition, water reuse opportunities are identified and exploited to reduce water requirements in support of</p>



			Eastman’s strategy for achieving long-term objectives.
Financial planning	Yes, water-related issues are integrated	21-30	<p>While Eastman has not identified significant water risks with substantive impact, water issues are integrated into financial planning. Eastman is advantaged in that the vast majority of Eastman sites are not in water-stressed areas which minimizes our potential risks. Nevertheless, the leadership teams for each of Eastman’s Business Units consider water risks including the potential impacts of the loss of primary containment of raw materials, intermediate and products that could potentially impact water quality.</p> <p>***For example, Eastman places an internal price on water to aid financial planning. Project financials are based on internally developed pricing for all utilities. This pricing has been developed using a model that estimates the total cost of water, including treatment and delivery. In addition, this model estimates how every other utility impact water use and incorporates the impact of total water cost in the internal pricing of all other utilities. This methodology ensures that project evaluations capture the total upstream impact on water use and costs.</p>

## W7.2

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

45

**Anticipated forward trend for CAPEX (+/- % change)**

-9



**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

Projects delayed during the pandemic continued to move forward allowing an increase in CAPEX actual spend in 2022. Forward trends are based on estimates of possible projects and spend for 2024. Current projection shows a slight decrease but generally as a result of all projects not being fully scoped and estimated. Margin of error makes the decrease negligible. 2022 CAPEX included water treatment improvements, water line replacements, and water purification upgrades.

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Parameters Measurable factors built into the scenario that may have a material impact on our	Considering the scenario analysis implemented by	We are currently evaluating strategic considerations that will integrate forward-looking



	<p>business performance that we have included are the worldwide steam coal, crude oil price, CO2 prices for advanced and emerging economies, regional natural gas prices and annual energy investment in end-use for both electrification and efficiency.</p> <p>Assumptions: The assumptions made in use of the Net Zero Emissions (NZE) scenario include relevant milestones of anticipated policy results achieved affecting the electricity and heat, industry, buildings, transport and other sectors across the period 2030 to 2050 given that we have customers that represent each of them and it is therefore relevant to our strategic plan. Moreover, we have assumed a falling oil price globally over the period from 2020 to 2050, increasing carbon prices in both advanced and emerging economies with reductions in natural gas prices in the European Union and China.</p> <p>Analytical choices: The time horizon extends to 2050 for which the International Energy Agency's (IEA) World Energy Outlook (WEO) 2021 were most heavily referenced in preparation of our analysis.</p> <p>Our analysis using this scenario was primarily qualitative in nature, for which in 2022 we're</p>	<p>Eastman in 2021 and that this being our first exercise focused on climate-related impacts, we do not have any water-related outcomes to provide.</p>	<p>resiliency planning into our organization. This evaluation began when the scenario analysis was completed in 2021. For example, the results of the analysis have emphasized the need to align our product and go to market strategy with a net zero approach to the extent possible and especially in those regions with higher rates of development. In combination with the results of our scenario analysis and this direct feedback, we are seeking to prioritize the technologies for which we will direct concentrated talent acquisition efforts and assess partnership, and collaboration opportunities with others in the market to support our customers' transition needs.</p>
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		incorporating quantitative considerations using the fuel costs, regional carbon prices, and energy investment metrics disclosed in the WEO 2021 scenario documentation.		
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## W7.4

### (W7.4) Does your company use an internal price on water?

Row 1

#### Does your company use an internal price on water?

Yes

#### Please explain

Project financials are based on internally developed pricing for all utilities. This pricing was developed using a model that estimates the total cost of water, including treatment and delivery. In addition, this model estimates how every other utility impacts water use and incorporates the impact of total water cost in the internal pricing of all other utilities. This methodology ensures that project evaluations capture the total upstream impact on water use and costs.

## W7.5

### (W7.5) Do you classify any of your current products and/or services as low water impact?

Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain



Row 1	No, but we plan to address this within the next two years	Important but not an immediate business priority	Informed by the Water Excellence Team, Eastman's sustainability strategy ensures that we manage our global resources as it relates to water withdrawal, water discharges, water consumption and water associated impacts from our manufacturing processes. Assessing the embodied water impacts at an individual product level involves significant uncertainty and data gaps and is therefore not fully evaluated at this time. In 2022, Eastman hired a water expert with a background in water science and engineering to help address the water impacts at a product level.
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## W8. Targets

### W8.1

#### (W8.1) Do you have any water-related targets?

No, but we plan to within the next two years

### W8.1c

#### (W8.1c) Why do you not have water-related target(s) and what are your plans to develop these in the future?

	Primary reason	Please explain
Row 1	We are planning to introduce a target within the next two years	Eastman is focusing on the responsible use of water and the reduction of freshwater withdrawal (FWW) at sites in water-stressed areas. 80% of Eastman's FWW is for once-through cooling (OTC) and is returned to the watershed. Almost all our OTC is from the South Fork of the Holston River (SFHR) downstream of a Tennessee Valley Authority dam at our Kingsport TN site, where water is abundant and projected availability risks are low. A recent Clean Water Act study (2018 316(b)) shows minimal impingement of aquatic life at cooling water intake structures. Closed cycle cooling options to reduce FWW used for OTC would actually increase energy/chemical use, water consumption, and discharge salinity. We currently do not plan to reduce FWWs for OTC other than reduce waste.





		<p>Remaining 20% FWW: 12% rainwater, 3% consumed through evaporation or added to products, and 5% receives on-site and/or 3rd party wastewater treatment, then returned to watershed.</p> <p>We are working to identify projects to reduce FWW at water-stressed sites. 2 sites are participating in a 2-yr National Alliance for Water Innovation project with UT Austin, to evaluate water reuse opportunities. We have 3 sites in Belgium committed to the Blue Deal of Flanders to combat drought and expect to have a FWW reduction target soon.</p> <p>Eastman acknowledges the human right to water and sanitation. In 2023, our manufacturing sites will complete the Water, Sanitation, and Hygiene (WASH) self-assessment to identify gaps for improvement.</p>
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## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we are waiting for more mature verification standards and/or processes

## W10. Plastics

### W10.1

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Product use phase	Eastman produces plastic resins, films, and fibers that we sell into a variety of different markets including medical packaging and devices, eyewear, food and beverage packaging, housewares, automotive, building and construction, electronics, textiles, and other various applications. Additionally, Eastman utilizes plastic packaging to ensure protection and containment of many of our products beyond our plastic based products.

## W10.2

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	<p>Eastman strives to ensure we manufacture products that are safe for our employees to handle and our customers to use. The company uses its Global Product Stewardship and Regulatory Affairs team to maintain rigorous product safety reviews to ensure our products are among the safest and most effective in the market. Our team also actively pursues third-party certifications for sustainable products in markets that value an independent perspective on Eastman’s holistic approach to chemical management.</p> <p>We realize there is a global plastic waste crisis, and we are dedicated to creating a circular economy that creates value from material waste. To do this, we leverage two molecular recycling technologies: carbon renewal and polyester renewal.</p> <p>Polyester renewal technology (PRT) gives new life to waste polyester plastics, including sources that cannot be recycled with traditional mechanical recycling methods such as post-consumer carpets, colored materials, textiles, and reclaimer rejects. Not only does this technology help keep plastic waste out of landfills and incinerators, but it also reduces greenhouse gas (GHG) emissions.</p> <p>Carbon renewal technology (CRT) takes a wide array of mixed plastic waste (with the exception of PVC) and breaks it back down into its molecular building blocks, allowing the molecules to be reassembled to build new products. This allows materials to be recycled an infinite number of times with no compromise or loss of quality.</p> <p>At Eastman, we believe there are always solutions to the challenges the world faces. In fact, our innovations are driven with a specific goal in mind: to solve the world’s greatest challenges by creating the most sustainable materials.</p>

### W10.3

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	Regulatory Reputational Technology Physical	As a plastic manufacturer, Eastman is susceptible to regulatory, reputational, technology, and physical risks typically associated with the plastics industry such as microplastic restrictions, changes in technology, and the plastic waste crisis. To mitigate these risks, Eastman has certified under Operation Clean Sweep (OCS) Blue to prevent plastic resin loss to the environment. We have also scaled up operations of 2 recycling technologies, carbon renewal technology and polyester renewal technology, which will divert hard to recycle materials such as carpets and automotive waste from the landfill. Third party reviewed LCA studies for our recycling technologies show a 20%-50% improved carbon footprint relative to the production of virgin materials.

### W10.4

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Microplastics Other	Reduce the potential release of microplastics and plastic particles Other, please specify Plastic waste volume recycled	Microplastics: - Reduce the potential release of microplastics and plastic particles  Other: - Recycle >500M LBS of plastic waste annually by 2030, with >250M LBS by 2025. - Catalyze improvement of recycling infrastructure via initiatives

				and collaboratives.
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## W10.5

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	Yes	Eastman manufactures various cellulose esters, polyvinyl butyral, and copolyester resins that are used in a variety of applications.
Production of durable plastic components	Yes	Eastman manufactures cellulosic fibers that are used in textiles and other applications, as well as interlayer films used in laminated glass for the automotive and building & construction industry.
Production / commercialization of durable plastic goods (including mixed materials)	Yes	Eastman manufactures durable window interlayers for automotive and building and construction applications, as well as paint protection films for automotive.
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	Eastman relies on plastic packaging to ensure product quality and safe transportation.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

## W10.6

**(W10.6) Provide the total weight of plastic polymers sold and indicate the raw material content.**

Row 1

**Total weight of plastic polymers sold during the reporting year (Metric tonnes)**



**Raw material content percentages available to report**

- % virgin fossil-based content
- % virgin renewable content
- % post-industrial recycled content
- % post-consumer recycled content

**% virgin fossil-based content**

**% virgin renewable content**

**% post-industrial recycled content**

**% post-consumer recycled content**

**Please explain**

Eastman currently reports our total volume produced confidentially to the Ellen MacArthur Foundation as this information is considered a trade secret. Publicly reported information for the Global Commitment is represented as a percentage. Having an option to protect trade secret information would be necessary for Eastman to share additional data in the future.

**W10.7**

**(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.**

**Row 1**

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**Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)**



**Raw material content percentages available to report**

- % virgin fossil-based content
- % virgin renewable content
- % post-industrial recycled content
- % post-consumer recycled content

**% virgin fossil-based content**

**% virgin renewable content**

**% post-industrial recycled content**

**% post-consumer recycled content**

**Please explain**

Having an option to protect trade secret information would be necessary for Eastman to share additional data in the future.

**W10.8**

**(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.**

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	Please explain



Plastic packaging used		None	Eastman utilizes plastic packaging for many of our products to ensure the quality and safe transport of materials. At this time, we are unable to quantify the amount of plastic packaging used for incoming raw materials or products shipped by Eastman. We are currently implementing Spec Right to be able to provide more details in the future.
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## W10.8a

**(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.**

	Percentages available to report for circularity potential	Please explain
Plastic packaging used	None	Eastman utilizes plastic packaging for many of our products to ensure the quality and safe transport of materials. At this time, we are unable to quantify the amount of plastic packaging used for incoming raw materials or products shipped by Eastman. We are currently implementing Spec Right to be able to provide more details in the future.

## W11. Sign off

### W-FI

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**



## W11.1

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

	<b>Job title</b>	<b>Corresponding job category</b>
Row 1	Executive Vice President, Manufacturing and Chief Sustainability Officer	Chief Sustainability Officer (CSO)