

EASTMAN

Sustainability at Eastman

Gaining momentum

2015 Sustainability Report

Covering the period January–December 2014



About this report

As Eastman continues on its sustainability journey, we are pleased to share our 2015 report, **Gaining momentum**. As with past reports, we are following the Global Reporting Initiative's (GRI) 3.1 framework and covering our company's progress over the past year. New this year, we have also included our [Communication of Progress](#) as a member of [United Nations Global Compact \(UNGC\)](#).

Determining report content

This year's report focuses on our progress and challenges in 2014 and includes data for the year ending December 31, 2014. The report covers Eastman's wholly owned operations, excluding those sites [acquired in 2014](#). We are committed to including information on newly acquired sites within three years of acquisition. We considered topics of significance and indicators that are most relevant to our internal and external [stakeholders](#), seeking feedback about our sustainability reporting and performance from a range of stakeholders, including employees, customers, industry peers, governmental organizations and nongovernmental organizations (NGOs). We also examined our [business opportunities and risks](#), and we evaluated external trends relating to our business. Additionally, we collected the data included in this report through several information management processes, including instrumentation, monitoring, sample collection and analysis, engineering estimates, material balances and other methods.

Sustainability 2015

Gaining momentum

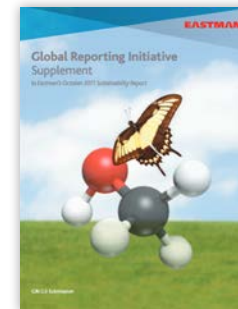
▶ About this report	2
Letter to our stakeholders	3
Executive Q&A	4
Stakeholder engagement	5
Sustainability highlights	6
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



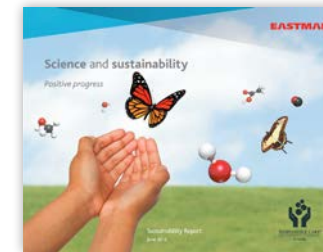
2009 — Published first Sustainability Review "Our sustainability journey"



2011 — Published first Sustainability Report "Connecting science and sustainability"



2012 — Published first Global Reporting Index (GRI) supplement to 2011 Sustainability Report



2013 — Published Sustainability Progress Update "Positive progress"



2014 — Published Sustainability Report "Moving forward together"

Letter to our stakeholders

Mark Costa, *Chairman and Chief Executive Officer*

Over the past several years, Eastman has been on a journey to become a leading specialty chemical company. Since the publication of our third sustainability report just one year ago, I am pleased that we have made significant progress on that journey. Through a clear focus on our strategy, we have built a stronger company that is positioned to continue delivering consistent growth.

A key driver of our growth strategy is sustainability. We must deliver innovative products that meet market needs and respond to macro trends. Innovation is critical to our success as a business, and at Eastman, sustainability and innovation go hand in hand. We are focused on leveraging our world-class technology platforms to create new products and applications that meet needs and reflect our commitment to sustainable development.

We are committed to customer engagement, especially downstream beyond our own customers to their customers, retailers and even consumers, to understand and anticipate market needs. Through our recent acquisitions, we have a growing opportunity to collaborate along the value chain in markets such as food, feed and agriculture and expand our presence in leading markets such as transportation. We have accelerated our organic growth, increasing our rate of new product commercialization, including sustainably advantaged products featured in this report.

For me, sustainability is about balance — maintaining sustainable business practices while doing great things for the environment and for people. In this report, I hope you will see that balance. We aim to provide opportunities for our employees to make a difference in their communities, focus on personal safety and wellness, and reduce our environmental impact. We believe this balanced focus leads to a better future for all of us.

As we move forward, we will continue to refine our strategy to create collective impact for all of our stakeholders. Through innovation, collaboration and the dedication of our employees, I am confident that the men and women of Eastman will continue ***gaining momentum***.



Mark Costa
*Chairman and Chief
Executive Officer*



Sustainability 2015

Gaining momentum

▶ About this report	2
Letter to our stakeholders	3
Executive Q&A	4
Stakeholder engagement	5
Sustainability highlights	6
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Executive Q&A

Godefroy Motte, *Chief Sustainability Officer*

How has sustainability evolved at Eastman since last year's report?

We have made good progress on our journey, and we are seeing a much more proactive and transformational approach. My vision for sustainability at Eastman is that it is integrated into everything we do and is visible inside and outside the company. As you can read in this report, we are driving innovation and growth. We have shifted from compliance and managing our footprint inside our gates to delivering insights and value across our value chains.

As we highlighted in [last year's report](#), we realize that while we can make a difference, true impact comes from collaboration along the value chain. As our business strategy has evolved, so has our sustainability strategy. Over the past year, we have emphasized our focus on value chain collaboration. We are an active voice in the chemical industry as well as other industries looking to improve sustainability, and we are strengthening our engagement through organizations such as [World Business Council for Sustainable Development](#) (WBCSD), and [Together for Sustainability](#) (TfS) and our commitment to the Responsible Care® [Global Charter](#). Additionally, we are working downstream with brands and retailers to gain insights to consumer needs and behaviors, which we then share with our direct customers and suppliers to drive innovation and develop more sustainable solutions.

How are you embedding sustainability across the company as you continue to grow and acquire new sites?

In 2014, we acquired a number of new site locations, most recently being the acquisition of Taminco, which added an alkylamine stream to Eastman's portfolio. With that comes the addition of a new [macro trend](#) that drives our business decisions — feeding a growing population. Many of Taminco's products will help meet needs in the food, feed and agriculture markets.

In general, we truly are embedding sustainable thinking across the company, fulfilling our vision and making a difference. As we continue to grow, we see more opportunity to engage our employees on sustainability-focused topics and programs. It is amazing how our employees are responding. For example, we have set a goal to reduce energy intensity 20 percent by 2020. Employees are actively participating in energy projects at many of our sites, not only in manufacturing but also in office buildings. Additionally, we've seen increased interest in our recycling and waste reduction efforts.

What are the major risks or opportunities facing your company and industry and how does that relate to your business strategy?

Consumers are looking for value. We, as consumers, all want a better product, but we are not necessarily willing to pay a higher price. If we see added value around safety, health or performance, however, then we may pay more. Innovating sustainable solutions costs and we have to manage costs to fund innovation.

So the challenge is that if you come up with a new solution or new product, you have to generally make a large investment to build capacity and it often requires collaboration and engagement externally across the value chain. Collaboration in the value chain can only be done if all participants are taking courageous leadership. It is not something you can do alone. Those of us in the chemical industry can have ideas, but if the downstream user is not willing to implement them, we will not progress.



Godefroy Motte
Chief Sustainability Officer

Sustainability 2015

Gaining momentum

▶ About this report	2
Letter to our stakeholders	3
Executive Q&A	4
Stakeholder engagement	5
Sustainability highlights	6
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Stakeholder engagement

Sustainability 2015

Gaining momentum

▶ About this report	2
Letter to our stakeholders	3
Executive Q&A	4
Stakeholder engagement	5
Sustainability highlights	6
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

A primary role sustainability serves at Eastman is to provide the lens by which we identify challenges and assess our [risks and opportunities](#).

And we leverage our [stakeholder engagement](#) process to identify the most relevant issues from the list of risks and opportunities.

These challenges are complex and global, requiring commitment across the company, and oftentimes along the value chain, to drive change. Throughout this report, you will find examples of the progress we have made as well as areas where we have opportunity to improve.

Sustainability along the value chain

At Eastman, we understand that we cannot fully embed sustainability without our value chain partners. We must work together to create value for our [stakeholders](#) through economic growth, environmental stewardship and social responsibility now and for future generations. Stakeholder engagement is an ongoing process at the corporate, regional and local levels to advance the company's business objectives, build Eastman's reputation and achieve triple bottom line success. We appreciate that we can't make a difference on our own and rely on collaboration and transparency along the value chain to make the greatest impact for all stakeholders.

Challenge	What we are doing
Climate change and energy	Collaboration with Woods Hole Oceanographic Institute ENERGY STAR® Partner Better Buildings, Better Plants Challenge Partner Cogeneration and energy efficiency efforts
Water stewardship and emerging environmental issue management	Environmental Stewardship
Supply chain security and efficiency	Supply chain efforts Transportation safety
Product safety	Product safety at Eastman
Value chain solutions	WBCSD Together for Sustainability Life Cycle Assessment



Four in a row!

Eastman has once again been recognized as an ENERGY STAR® Partner of the Year.



RESPONSIBLE CARE
OUR COMMITMENT TO SUSTAINABILITY

Sustainability highlights

Sustainability 2015

Gaining momentum

▶ About this report	2
Letter to our stakeholders	3
Executive Q&A	4
Stakeholder engagement	5
Sustainability highlights	6
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



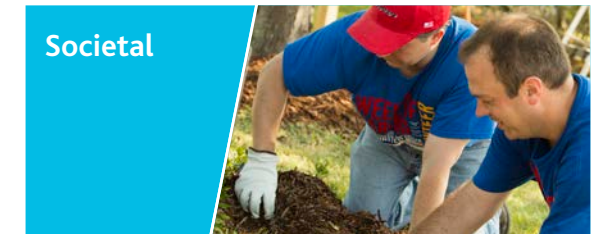
Economic

- Completed four acquisitions, expanding Eastman's portfolio and global presence
- Launched innovative products, including Eastman Omnia™ high-performance solvent and Amphora™ 3D polymer
- Became first U.S.-based company to join Together for Sustainability
- Recognized with the Heroes of Chemistry award from the American Chemical Society for Eastman Tritan™ copolyester



Environmental

- Recognized with 2015 ENERGY STAR® Partner of the Year-Sustained Excellence Award
- Partnered with Woods Hole Oceanographic Institute to launch X-SPAR buoy and autonomous underwater gliders
- Completed waste audit at largest manufacturing site, resulting in implementation of single-stream recycling
- Achieved LEED® Gold Certification at Eastman's Shanghai and Singapore offices



Societal

- Named a 2015 World's Most Ethical Company® by Ethisphere® Institute
- Established Corporate Social Responsibility Team dedicated to embedding Eastman's societal commitments globally
- Recognized for excellence in safety performance in 2014 from five major rail services
- Recognized among the Top 100 Best Corporate Citizens by *CR Magazine* for 2015

Key: Three pillars of sustainability

● Sustainable growth
 ● Improved footprint
 ● Social investment

Our business

Sustainability 2015

Building on progress

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Eastman is a global specialty chemical company that produces a broad range of products found in items people use every day. With a portfolio of [specialty businesses](#), Eastman works with customers to deliver [innovative products](#) and solutions. Founded in 1920, today we are a \$9.5 billion business with approximately 15,000 global employees. Headquartered in Kingsport, Tenn., USA, Eastman operates 50 manufacturing sites in 14 countries, serving customers in approximately 100 countries around the world. Site profiles and specific information about each of our facilities can be found by visiting [Eastman Worldwide](#).

In 2013, Eastman launched a major economic development initiative, "Project Inspire," including a new Corporate Business Center, scheduled to be completed in 2015.



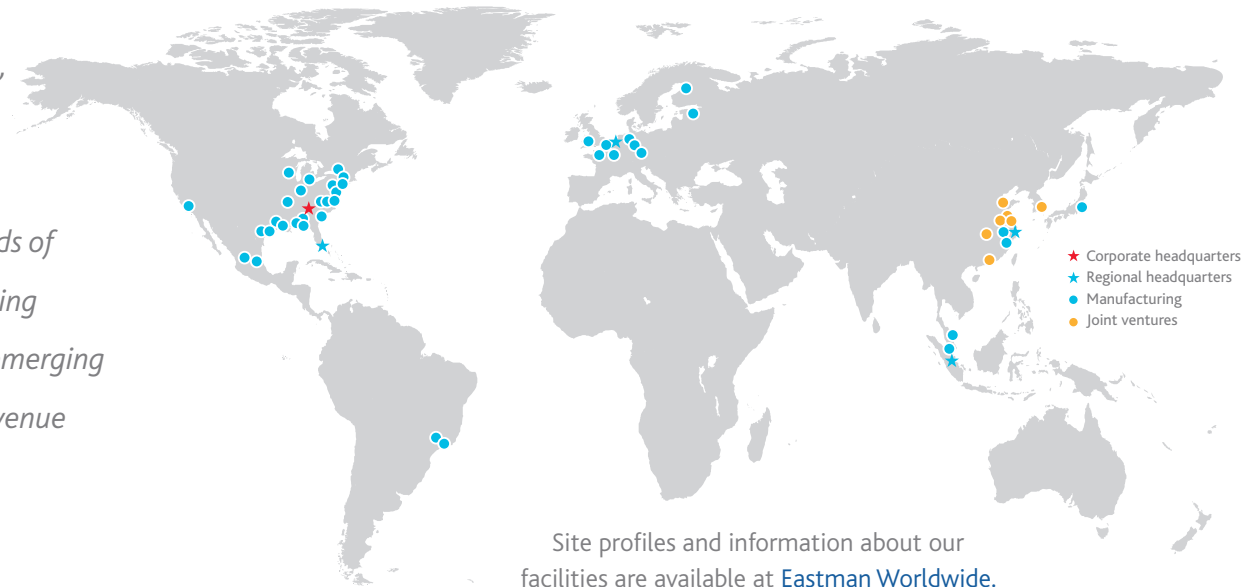
How we operate

Eastman serves our customers through five business segments

Eastman currently operates five [business](#)

[segments](#) — Additives & Functional Products, Adhesives & Plasticizers, Advanced Materials, Fibers, and Specialty Fluids & Intermediates.

A leader in attractive niche markets, two-thirds of our sales revenue is from product lines in leading market positions. With a continued focus on emerging markets, more than half of Eastman's sales revenue comes from outside North America.



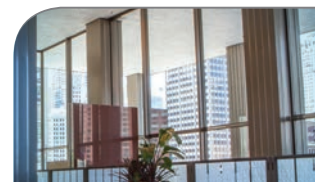
5 business segments



Additives & Functional Products



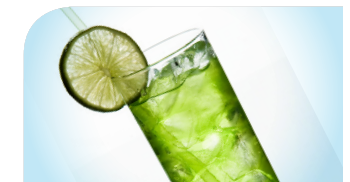
Adhesives & Plasticizers



Advanced Materials



Fibers



Specialty Fluids & Intermediates

Sustainability 2015

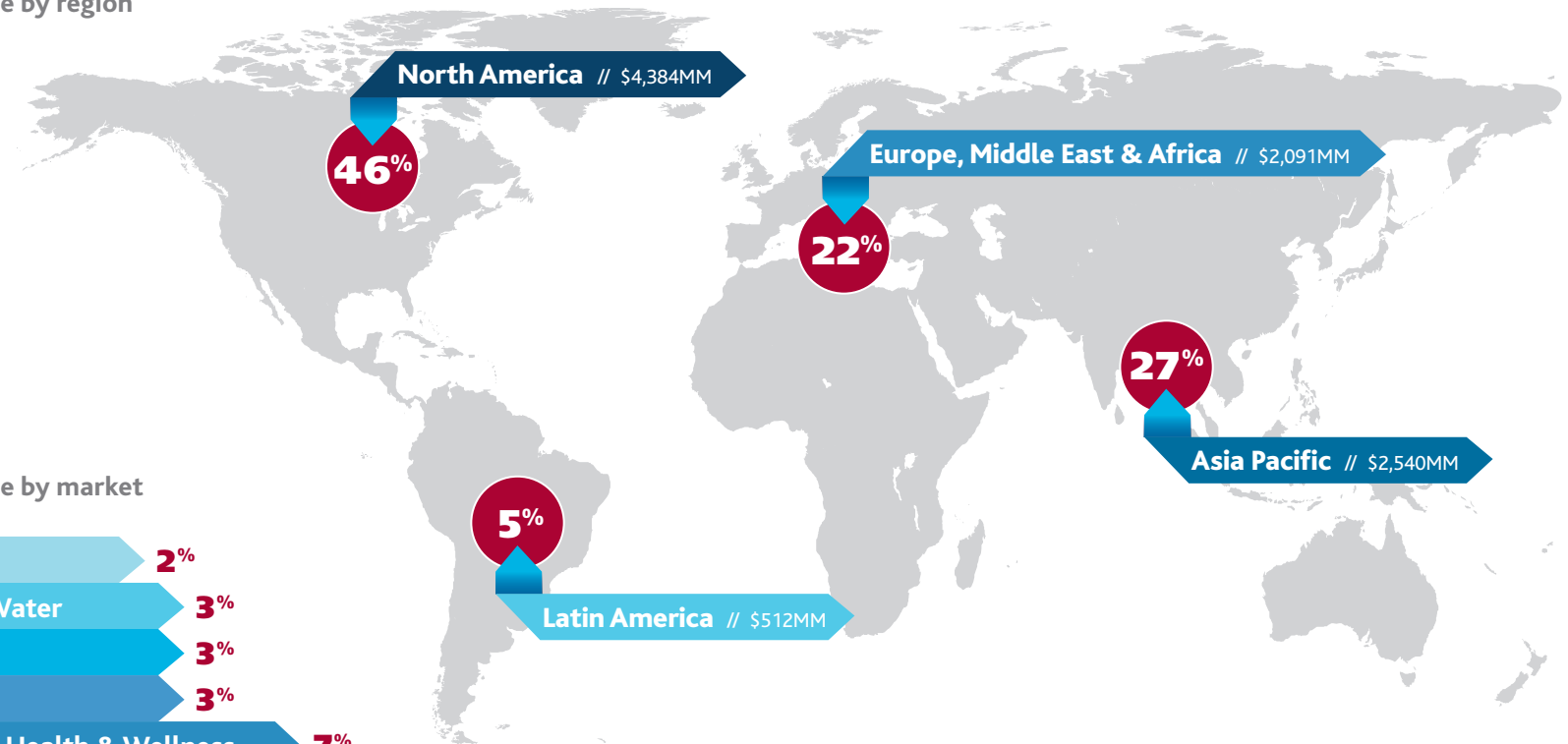
Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

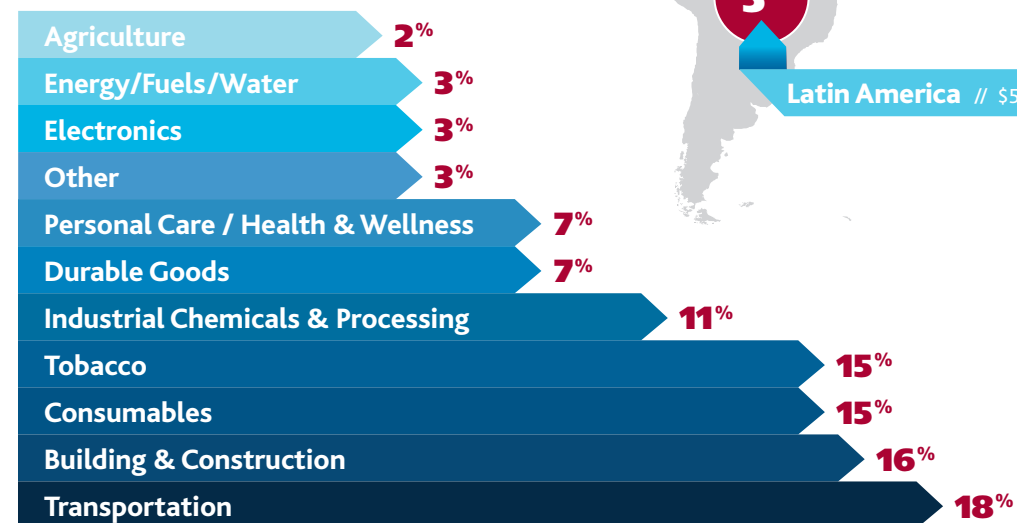
Strength through diversity

End market and geographic diversity contribute to consistent, strong performance

2014 sales revenue by region



2014 sales revenue by market



Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Driving results, delivering value

At Eastman, we remain committed to delivering consistent, superior value for all of our stakeholders.

We are focused on driving growth through innovation, productivity and acquisitions. At the heart of this growth platform is sustainability.

Winning with the customer through innovation

Eastman continues to focus on discovering and developing [innovative, practical solutions](#) that meet the emerging needs of a changing world and address [global macro trends](#). At the core of our innovation strategy are our world-class technology platforms. We have taken steps to accelerate organic growth through innovation, and we are making significant progress on our growth initiatives. In 2014, we met our internal goals for increasing our portfolio value and reaching milestones in our top innovation projects. We also increased our rate of new product commercialization, resulting in new product offerings in 2014, including a number of [sustainably advantaged products](#), as well as multiple commercializations planned for 2015.

Strengthening our environmental commitment through productivity

Productivity projects across the company have not only generated significant savings over the past year, they are also helping us identify and remove waste, refine processes, and increase yields, all of which maximize earnings potential and minimize environmental impact. In 2014, we made significant process improvements and developments, enabling our manufacturing operations to account for approximately 40 percent of our productivity savings for the year. Additionally, the company exceeded every key productivity target and we have set aggressive goals for 2015.

40%
of productivity
savings



from
manufacturing
operations

Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



Driving results, delivering value, *continued*

Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

85%

decrease in amount of spent microorganisms requiring offsite disposal



Bugging out over productivity

In 2014, Eastman's Chestertown site implemented a productive, long-range solution for its [wastewater treatment facility](#) following a treatability study. The facility employs microorganisms, commonly referred to as simply "bugs," that convert wastewater to clean water through a biological treatment process. These bugs are highly sensitive to temperature, pH, food they receive and other variables. If any of these factors change considerably, the microorganisms do not function as expected.

The study showed that temperature in the system was a significant variable that needed better control. The ideal temperature range is 75 to 95 degrees Fahrenheit. Through a collaborative effort including manufacturing, technology, and Environmental Operations and Services, the site gained greater control of system temperature by implementing a steam injection system to keep the temperature of the bioreactor above 75 degrees in the winter and a refrigeration unit to keep the thermometer below 95 degrees in the summer. The project yielded cost savings of more than \$400,000 in 2014 alone, well ahead of projected savings.

Chestertown also installed a new centrifuge in the wastewater system, which separates spent microorganisms from wastewater. The site is now able to dewater this waste stream more efficiently, decreasing the amount of spent microorganisms requiring offsite disposal by 85 percent and resulting in additional cost savings.



Leveraging acquisitions to improve our portfolio

Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

At Eastman, we continue to explore opportunities to expand and diversify our product portfolio and market share through acquisitions. In 2014, Eastman completed four acquisitions in support of this long-term growth strategy, each of which aligns with our corporate strategy and expands our global presence.

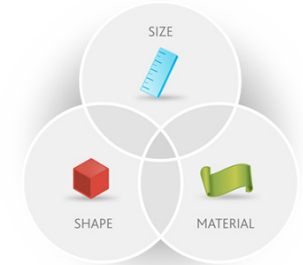


Eastman Cyphrex™ microfibers are used in applications such as air, water and fuel filtration, specialty papers and battery separators.

The men and women of Eastman are world-class when it comes to integration. We believe their efforts to integrate and retain the great talent we bring to Eastman through these acquisitions combined with our strong commercial and market development capabilities and significant scale in technology and operations make the [Eastman Advantage](#) not only something we say, but who we truly are. We are committed to creating value through each acquisition and integration at every level of the company.

Knowlton Technologies, LLC

Located in Watertown, N.Y., Knowlton supports Eastman's microfibers growth platform. The acquisition brought together complementary skills and development capabilities, enabling and accelerating innovation with our nonwovens-producing customers in important markets such as filtration. Knowlton is a leader in the design, accelerated prototyping and manufacture of wet-laid nonwovens in filtration, friction and custom-designed composite webs. Eastman's [microfibers technology](#) and proprietary process produce synthetic microfibers in unique combinations of sizes, shapes and materials, taking Eastman's polyester stream into entirely new applications.



Eastman Cyphrex™ microfibers offer tunable fiber properties of size, shape and material that provide wet-laid nonwoven producers new competitive advantages.



Leveraging acquisitions to improve our portfolio, *continued*

Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



Commonwealth Laminating & Coating, Inc.

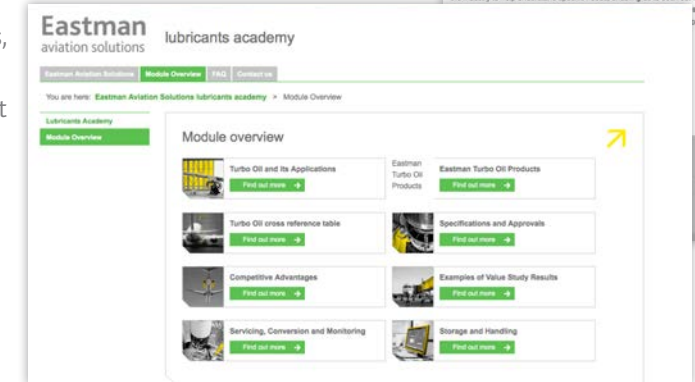
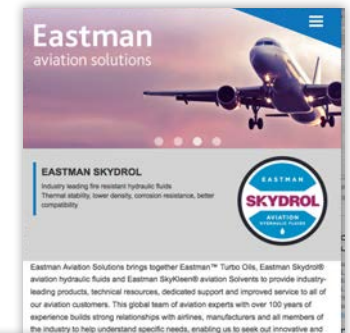
With the acquisition of Commonwealth Laminating & Coating, we have expanded our Advanced Materials product portfolio of solar control window film and protective film applications. Located near Eastman's current site in Martinsville, Va., Commonwealth is a leading manufacturer and global marketer of window and specialty films. The [SunTek® window films](#) boast a broad range of automotive, architectural, and protective applications. Commonwealth also adds a leading paint protection film application to our portfolio, an area where Eastman has traditionally not had a leading product.

SunTek® window films and Commonwealth's paint protection film application expand Eastman's portfolio.



Aviation turbine oil business

Enabling Eastman to better meet the needs of the global aviation industry, the acquisition of BP's aviation turbine engine oil business expanded the product portfolio of Specialty Fluids & Intermediates segment. In December, the newly acquired BP Turbo Oil products were renamed under the Eastman Turbo Oil brand name. In addition to the launch of the new product names, Eastman Aviation Solutions also launched additional customer support programs, including the Eastman Aviation Solutions Lubricant Academy and the Eastman Aviation Solutions Value Calculator.



Designed as an online educational tool, Eastman Aviation Solutions (EAS) Lubricant Academy is helping to keep the aviation industry's engineers and maintenance personnel at the cutting edge in the face of technological change and global skills shortages. Customers worldwide are encouraged to commit staff to skill development through maintenance training programs. The EAS Lubricant Academy is aimed at supporting staff in all lubricant-related operations, helping them get the most out of their engine fleets. The online tool is comprised of eight modules, covering key aspects of turbine oil, including oil history, composition, storage and handling, servicing, conversion and monitoring.

Leveraging acquisitions to improve our portfolio, *continued*

Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Taminco Corporation

The second largest acquisition in Eastman's history, the company completed the acquisition of Taminco, a global specialty chemical company, in December 2014. With leading positions in attractive niche markets, Taminco's businesses are driven by a world-class, vertically integrated alkylamine stream and technology platform. Taminco's eight manufacturing locations also broaden Eastman's geographic reach, which is a source of strength for the company.

With a history of consistent, superior earnings growth, Taminco's businesses bring new, market-leading products to Eastman's portfolio, strengthening our presence in attractive markets like food, feed and agriculture and accelerating growth opportunities in personal care, coatings, and oil and gas markets.



Functional amines

Functional amines: Producing basic alkylamines and solvents, Taminco's functional amines business provides the platform for many of its downstream derivatives products. Taminco's functional amines and their derivatives serve as key building blocks in a broad array of chemical products with a wide range of applications, including electronics and agrochemicals. Functional amines is now part of the Specialty Fluids & Intermediates business segment.



Specialty amines

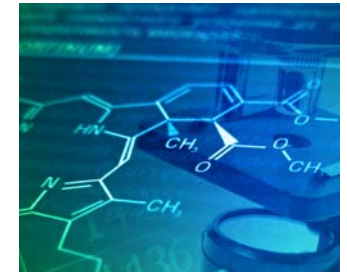
Specialty amines: Taminco's specialty amines business is comprised of specialty intermediates, performance products and formic acid solutions. Specialty amines is now part of the Additives & Functional Products business segment.

- Specialty intermediates provides amine-derivative-based building blocks typically used in end-use applications, such as water treatment and personal and home care.
- Performance products focuses on branded amine-derivative-based products for specific end-use applications serving the energy, animal nutrition and specialty additives markets directly.
- Formic acid solutions offers formic acid-based solutions with a favorable environmental profile for end-use markets including leather, animal nutrition, chemical and pharmaceutical industry, and airport runway deicing.



Crop protection

Crop protection: With a growing population and growing scarcity of land, crop protection products are becoming increasingly important. Taminco's crop protection business produces alkylamine derivatives that are used directly in agricultural end markets. These products are designed to protect crops from fungal diseases and to increase yields. Crop protection is now part of the Additives & Functional Products business segment.



Leveraging acquisitions to improve our portfolio, *continued*

Known as T-CARE, Taminco's sustainability program encompasses the triple bottom line — environmental care, social responsibility and sustainable development — aligning directly to Eastman's existing [sustainability strategy](#). Taminco's T-CARE commitment demonstrates a focus on:

Employees, by continuously improving its safety performance and offering a healthy and motivating work environment. Taminco is committed to an ethical work culture and recognizes that all people are unique and valuable. Taminco's efforts to embed sustainability across the company have evolved into an annual [T-CARE Awards](#) program.

Customers and business partners, by continuously improving the production and development of innovative, high quality and sustainable products, processes, solutions and services, promoting the use of renewable feedstock.



T-CARE
CARE BY TAMINCO

The environment, by continuously improving production and logistic processes in terms of energy and material efficiency, water usage, air emissions and land preservation.

Society, by integrating social, environmental and economic concerns into the company's operations and strategies, well beyond all laws and regulations.

As we move forward with the Taminco integration, we will determine how the sustainability strategies will be implemented and use this year to harmonize our corporate goals.



Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Corporate governance

Unwavering commitment to ethics and integrity drives business results.

Code of Conduct

At Eastman, we are dedicated to conducting all business activities in accordance with the highest legal and ethical standards while providing a safe, healthy and desirable place to work. We believe ethics are critical to success because they build trust and confidence for all of our stakeholders. We operate under Eastman's [Code of Business Conduct](#), which was established for employees to understand the company's expectations and to raise awareness of legal and ethical issues that may arise. As the world around us changes, challenges that we face also change. As such, over the past year, we have worked diligently to update the Code to ensure we are complying with the most current regulations and standards. In August 2015, the new Code of Business Conduct will be distributed to 100 percent of Eastman's employees. We ensure annual training for each employee to certify his or her compliance with the Code.



Eastman Advantage

In 2014, Eastman launched the [Eastman Advantage](#), an internal guiding document that encapsulates the company's core values, with honesty and integrity as the foundation. The Eastman Advantage replaced the company's previous guiding document, the Eastman Team, reflecting the company's status as a larger and more global specialty chemical company.

Eastman's decisions and actions at the Board, management and individual employee levels are rooted in these brand beliefs and core values, including [safety](#) and [wellness](#), [customer focus](#), [innovation](#), [diversity and inclusion](#), and [sustainability](#). Living by these principles enables the men and women of Eastman to consistently deliver value to our customers and stockholders while also

ensuring a positive future for Eastman team members and a culture where integrity is of utmost importance. As the new name implies, we believe our culture is a key to our competitive advantage.

Supplier Code of Conduct

Eastman understands the importance of ensuring the highest standards of sustainability, fair labor practices and safety along the value chain. We provide our [Third Party Code of Conduct](#) to our suppliers, which defines our expectations for conducting business with Eastman. We desire the same ethical behavior of our suppliers and hold them accountable by annual supplier surveys.

Board of Directors

Eastman's [Board of Directors](#) and its Committees oversee compliance oversight with legal and regulatory requirements and oversee the development and management of policies and practices in their respective areas of responsibility — Audit; Compensation and Management Development; Finance; Health, Safety, Environmental and Security (HSES); and Nominating and Corporate Governance. Eastman's Chief Sustainability Officer meets twice a year with the HSES Committee. Chaired by Robert M. Hernandez, the HSES committee is comprised of the independent, nonemployee directors and is responsible as the highest governing body overseeing the company's sustainability performance. The purpose of the HSES Committee is to review with management and, where appropriate, make recommendations to the Board regarding the company's policies and practices concerning health, safety, environmental, security and sustainability matters. Eastman's Corporate Governance Guidelines and Committee Charters are available through Eastman's [website](#). Additional information is available in [Eastman's 2015 Annual Meeting Proxy Statement](#).

Sustainability 2015

Gaining momentum

About this report	2
► Our business	7
How we operate	8
Strength through diversity	9
Driving results, delivering value	10
Leveraging acquisitions to improve our portfolio	12
Corporate governance	16
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Sustainability leadership, participation and advocacy

Sustainability 2015

Building on progress

About this report	2
Our business	7
▶ Sustainability leadership, participation and advocacy	17
Driving sustainability from the top	18
Advocacy across the industry	19
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



Sustainability Council members, left to right: Mark Cox, David Golden, Jennifer Stewart, Etta Clark, Godefroy Motte, Lucrece Foufopoulos, and Steve Crawford

Driving sustainability from the top

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
► Sustainability leadership, participation and advocacy	17
Driving sustainability from the top	18
Advocacy across the industry	19
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Eastman's global sustainability strategy is guided by the leadership of [Eastman's Sustainability Council](#). The Council, which meets quarterly, provides direction on all corporate sustainability efforts across the company, leveraging sustainability as a key driver of innovation and growth. Sustainability goals are a priority for Council members, evidenced by the inclusion of specific goals on personal performance commitments through the company's performance management program.

Current Council members:

Etta Clark, Vice President, Global Public Affairs and Policy

Mark Cox, Senior Vice President, Chief Manufacturing and Engineering Officer

Steve Crawford, Senior Vice President and Chief Technology Officer

Lucrece Foufopoulos, Vice President, Marketing, Sales and Pricing

David Golden, Senior Vice President, Chief Legal Officer and Corporate Secretary

Godefroy Motte, Senior Vice President, Chief Regional and Sustainability Officer

Jennifer Stewart, Vice President, Corporate Innovation

To learn more about Eastman's Sustainability Council, visit www.eastman.com/sustainability.

Sustainability Council structure, subcouncil membership



Advocacy across the industry

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
► Sustainability leadership, participation and advocacy	17
Driving sustainability from the top	18
Advocacy across the industry	19
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Eastman is an [active participant](#) in a variety of associations, leadership groups and initiatives that advance sustainability in the chemical industry and beyond. We are committed to sharing our ideas and best practices, and we are eager to learn through the insights and experiences of others. We appreciate and welcome our responsibility as a global company to actively contribute to finding solutions to challenges in our industry and the world at large. For a comprehensive list of associations and organizations in which Eastman is actively involved, visit the Advocacy page at www.eastman.com/sustainability.



**United Nations
Global Compact**

Eastman is a participant in the UN Global Compact, a strategic policy initiative that provides collaborative solutions to the most fundamental challenges facing both business and society. Participants agree to align their operations and strategies with [10 universally accepted principles](#) of UNGC in the areas of human rights, labor, environment and anticorruption. As part of our commitment, we include our [Communication of Progress \(COP\)](#) as an integral component of our sustainability report, describing our efforts to implement the 10 principles.



In 2014, Eastman was proud to become the first U.S.-based company to join Together for Sustainability (TfS), a Chief Procurement Officer-led initiative established by European-based multinational companies to drive improvements in sustainable procurement through standard processes, including shared audits and assessments. Over the past few years, Eastman has been working closely with TfS to understand membership requirements to expand the organization to U.S.-based companies. Mike Berry, Eastman's Chief Procurement Officer (CPO), will represent Eastman on the TfS General Assembly as well as at CPO meetings.

As a TfS member company, Eastman will continue to support the principles of UN Global Compact and [Responsible Care](#)[®], engage suppliers and other stakeholders to advance sustainable development, report sustainability performance, address stakeholder concerns about sustainable aspects in the supply chain, and operate in accordance with industry codes and applicable laws and regulations.

"Joining Together for Sustainability was a natural step for Eastman. Not only are we committed to sustainable procurement and supply chain management, we have already implemented a number of the TfS principles into our supply chain operations. Creating collaboration along the value chain is an important theme among leaders of sustainability in terms of understanding both your suppliers and customers, and it is a key focus area for Eastman."

— Godefroy Motte, Senior Vice President,
Integrated Supply Chain, Chief Regional and Sustainability Officer



Advocacy across the industry, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
► Sustainability leadership, participation and advocacy	17
Driving sustainability from the top	18
Advocacy across the industry	19
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

Responsible Care Global Charter

[Responsible Care](#)® embodies the chemical industry's commitment to safe, responsible and sustainable management of chemicals through the entire life cycle. Eastman has been an active leader in Responsible Care for more than 25 years, implementing Responsible Care principles as foundational to our operations. In May 2014, the International Council of Chemical Associations Board approved revisions to the [Responsible Care Global Charter](#), which was originally published in 2005. The revision was necessary to respond to changing stakeholder expectations as well as opportunities and challenges facing the chemical industry globally. Several Responsible Care companies, including Eastman, were active in the development of the update to the Global Charter. On March 1, 2015, Eastman CEO Mark Costa signed the new charter, thereby continuing Eastman's commitment to Responsible Care.

EcoVadis Improvement Tracking



Eastman received a Gold CSR Rating in 2014 from

EcoVadis Sustainable Supply Management, an organization aimed at improving environmental and social practices of companies by leveraging the influence of [global supply chains](#). Achieving a Gold CSR Rating requires a score of greater than 62/100 on a comprehensive assessment of the company's supply chain management and corporate social responsibility policies and practices. EcoVadis and Together for Sustainability collaborate to provide TFS members and their suppliers a platform to monitor progress and improvements of sustainability practices along the supply chain.

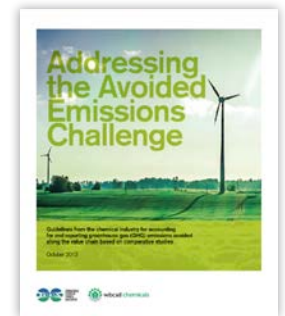
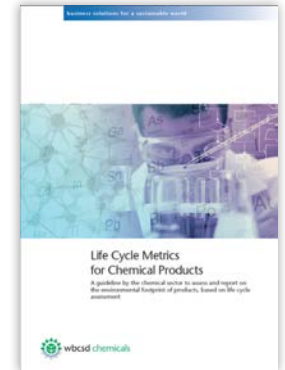


World Business Council for Sustainable Development

Since 2012, Eastman has been an active member of the [World Business Council for Sustainable Development \(WBCSD\)](#). As part of Eastman's involvement, many of the company's team members, including Eastman's Chief Regional and Sustainability Officer, are engaged in a number of projects and ongoing initiatives.

Through the Reaching Full Potential project led by the Chemicals Sector of WBCSD, Eastman participated in the development of and use of "Life Cycle Metrics for Chemical Products," a guide to perform [LCAs](#) that align with chemical industry standards. This, in turn, improves credibility, consistency and comparability of LCA results on chemical products and allows the chemical industry to move forward together on sustainability initiatives.

Eastman was also involved in the development of a second guiding document, "Addressing the Avoided Emissions Challenge," as part of the Reaching Full Potential project. Eastman's LCA team completed an assessment of our architectural window films brand, [IQue](#)®, following the guidance from the document. The results of that LCA demonstrated that the window films, which are applied to existing windows to improve interior living space comfort and save energy by blocking entrance of UV and IR radiation, become carbon- and energy-neutral after less than one year of use. Essentially, this means the window films save more energy and prevent more greenhouse gas (GHG) emissions than were expended during their manufacture (cradle to gate).



Eastman participated in the development and use of reference documents as part of the Reaching Full Potential project with the WBCSD.

Sustainability goals & scorecard

Sustainability 2014

Moving forward together

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
► Sustainability goals & scorecard	21
Macro trends drive our strategy	22
Scorecard	23
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

In Eastman's [2014 report](#), as we integrated the Solutia businesses we acquired in 2012, we took the opportunity to streamline our corporate sustainability goals into a clear set of aspirational core commitments. This allowed us to move forward on our journey collectively and focus on making measurable positive progress toward our targets. We find ourselves once again integrating a large acquisition with Taminco and will use this year to harmonize our corporate goals across the newer, larger company.



Macro trends drive our strategy

Aligning global trends, sustainability issues and goals



Macro trends developing globally present both business opportunities and risks for Eastman.

As our company evolves, the macro trends driving our corporate business and sustainability strategies continue to evolve, too. With the recent acquisition of Taminco, we now have an increased focus on the global trend to feed a growing population as supported by solutions in the food, feed and agriculture markets.

Emerging middle class

- Fluctuating oil prices and impact on energy sources
- Population growth resulting in urbanization challenges
- Global middle class growing by >70 million people annually, led by Asia
- Increasing need for "cradle-to-grave" life cycle analyses on products
- Financial viability

Energy efficiency, climate change and weather-related issues

- Energy efficiency standards driving innovation in transportation and building and construction
- Growing demand for safe, innovative solutions that reduce waste and energy and are more efficient to use
- Increasing pressure on supply chain efficiencies and security of supply
- Water and resource scarcity
- Focus on circular economy and closing the loop on waste

Health and wellness

- Tightening health and consumer protection regulations
- Chemical safety regulations
- Aging population and rising health care cost
- Increasing demand for responsible, ethical leadership practices
- Increasing need to engage communities

Feeding a growing population

- Rising world population
- Scarcity of arable land per person
- Advancements in bioengineering of crops
- Increasing demand for safe, sustainable crop protection

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
▶ Sustainability goals & scorecard	21
Macro trends drive our strategy	22
Scorecard	23
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Sustainable innovation

Sustainability 2015

Building on Progress

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
► Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Innovation is the driving force of Eastman's growth strategy.

We understand that developing innovative, sustainably advantaged products and solutions is critical, not only to the success of the company but for the world around us. Consumers want safer, sustainable alternatives, driving the need for sustainable solutions up the value chain. Because of our position in the value chain, we proactively collaborate downstream with our customers and with their customers to identify needs and opportunities for innovation. Driven by macro trends and changing needs in the markets we serve, we focus our efforts on innovating new products and applications that offer more efficiency, reliability and functionality with less impact on the environment.

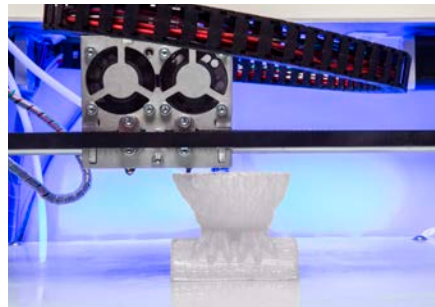
Eastman *Omnia*[™] high-performance solvent has a unique cleaning chemistry that offers an exceptional combination of performance, safety and value.



Sustainably advantaged products

Eastman's innovative products and materials make life safer and more convenient, and they can be found in thousands of items people use around the world every day. As of 2014, >70% of our new product revenue currently comes from sustainably advantaged products, meeting our goal that two-thirds of revenues from new product launches since 2010 come from sustainably advantaged products. Examples of products launched in 2014:

Amphora™ 3D polymer



Click on the image for more information.

Uniquely suited for 3D printing applications that exhibit sparkling clarity, gloss and superior toughness

Sustainable attributes

- Low odor
- Low emissions
- Styrene free
- Complies with certain U.S. Food and Drug Administration (FDA) regulations for food contact applications
- Greater efficiency and ease of processing

End-use product examples

- 3D printing applications
- Additive manufacturing

Eastman VersaBond™ plasticizer



Replacement for phthalate-based plasticizers in polysulfide sealants

- Phthalate alternative
- Regulatory clearance

- Sealants for insulated glass

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
▶ Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Sustainably advantaged products, *continued*

Eastman Versafix™ plasticizer



Designed especially for water-based adhesives applications

Sustainable attributes

- Phthalate alternative
- Regulatory clearance
- Allows for reduced energy costs for manufacturers due to increased production line speeds and lower processing temperatures

End-use product examples

- Paper and cardboard tube winding
- Woodworking and cabinetry
- Consumer craft and wood glue
- Box and carton assembly
- Bag manufacturing
- Envelopes
- Labels
- Laminates

Eastman Spectar™ Stratus copolyester



LED light-diffusing technology

- Chemical resistance
- Process sustainability
- GREENGUARD Indoor Air Quality Certified®
- Design flexibility
- Durability
- High light transmission

- Extruded and injection molded light fixtures

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
► Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Sustainably advantaged products, *continued*

Changing the chemistry of clean

Last year, Eastman introduced a new solvent that is changing the way people think about clean. Eastman Omnia™ high-performance solvent has a unique cleaning chemistry that offers an exceptional combination of performance, safety and value. As an ingredient that enables formulators to meet stringent regulatory and market demands, Omnia offers an excellent toxicology profile and is readily biodegradable and nonflammable. Designed for neutral-pH cleaning formulations, the powerful chemistry behind Omnia effectively removes a wide range of soils without harming surfaces.

Eastman developed Omnia with safety in mind, taking into account guidelines established by the EPA's Safer Choice program and credible third parties such as GreenBlue®.

“We have developed an underpinning technology process that allows us to take the regulatory drivers for those markets and turn them into ways to create new molecules so that a customer no longer has to give the trade-off on performance to get reduced toxicity and environmental impact properties on a solvent.”

— Glenda Eilo, Director, Strategic Marketing and Innovation, Eastman

Nyco® Products Company recognized the potential of Omnia and worked with Eastman to formulate a new family of cleaning products — OM1 Series. Consisting of a bath and restroom cleaner, power degreaser and multisurface cleaner, Nyco's three OM1 Series products offer a unique formulation that penetrates the toughest stains and grease with a responsible environmental profile.

“If you look at Omnia's environmental profile and its position on the CleanGredients® list, it gives us differentiation among other cleaning products in the marketplace. We have been in business since 1920. These are the best performance products with the best environmental profile we have ever made.”

— Bob Stahurski, President and CEO, Nyco Products Company



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
► Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Sustainably advantaged products, *continued*

Sustainable innovation ... an asset of acquisitions

As Eastman has continued to grow and evolve into a specialty chemical company through organic growth, it has also expanded through a number of recent [acquisitions](#). Each acquisition brings innovative products to the Eastman portfolio.

SunTek® window films

The [SunTek®](#) line of window films has expanded Eastman's portfolio of sustainable window film offerings for the automotive, architectural, paint protection, and safety and security markets.

Features of SunTek window films include:

- Variety of color and shade options
- Enhanced aesthetics
- Easy installation, including heat shrinkability, adhesion, and dry time
- Superior solar performance including heat and UV rejection, as well as glare reduction
- Exceptional optical clarity
- Increased safety and protection

Taminco brings a history of sustainable innovation

At Taminco, sustainable innovation served as a key element of its sustainability program. Much like Eastman, the company focused on developing products with a reduced environmental impact in line with the rising trend and increasing consumer demand for milder chemicals with new functionalities. Examples of Taminco's sustainably focused products include:

Tenaz® At the forefront of the crop protection industry, Taminco introduced Tenaz, a residue-free biostimulant meant for alleviating abiotic stresses of fruits, grapes and cereals like wheat and rice. Made from a naturally occurring molecule, Tenaz has a benign toxicological profile, making it compatible for use in sustainable agriculture and integrated pest management programs.

TamiSolve® NxG As the market trend continues to shift to safer, sustainable chemical alternatives, Taminco has developed TamiSolve® NxG, a next-generation, high-performing, nonreprotoxic solvent. TamiSolve® NxG is recommended for use in applications such as specialty polymer coatings, microelectronics manufacturing, paints, the production of pharmaceuticals, and agrochemical formulations.



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
▶ Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Working together, sustainable collaborations

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
▶ Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Eastman 168™ non-phthalate plasticizer celebrates 40 years.

In 1975, Eastman introduced Eastman 168™ non-phthalate plasticizer. Today, it's the preferred non-phthalate plasticizer for PVC. With four decades of market leadership, Eastman 168 has earned its reputation as a trusted alternative to *ortho*-phthalates.



Throughout 2015, we at Eastman are celebrating the 40th anniversary of [Eastman 168](#), today's market leader that formulators have come to request by name ... or rather, by number! To kick off the celebration, Eastman launched the PeeZee Post, a source for plasticizer news and events named for the Eastman 168 ambassador, PeeZee the Duck.

Today, brands are using Eastman 168 in:

- Automotive applications
- Flexible PVC
- Flooring and interior surfaces
- Gaskets, hoses, and tubing
- Latex sealants
- Medical devices and packaging
- Pressure sensitive adhesives
- PVC plastisol sealants
- PVC plastisols
- Wire and cable

Collaboration story

Eastman and DM Thomas Foundation for Young People make a splash.

Eastman has teamed up with the DM Thomas Foundation for Young People to provide marketing support for the Foundation's popular "Ducks for Change" program. Ducks for Change provides supporters throughout Europe the opportunity to make a difference by purchasing a set of three novelty ducks, made with Eastman 168™ non-phthalate plasticizer, as souvenirs. Proceeds from the sale of the ducks are given to local charities that support young people. The Ducks for Change program has sold more than 180,000 sets of ducks and the funds raised have contributed to more than 130 grants to charities across Europe.



"We first met with Eastman in 2013 to discuss the use of their plasticizer in our ducks and the assistance they could offer to support our campaign.

This was the start of a fantastic partnership. Their plasticizer has helped to improve our manufacturing, and they have provided marketing support, specifically with the development of an exciting new mobile game. The ducks continue to raise money to support disadvantaged children and young people across Europe, and we are very grateful to Eastman for their continued support."

— Simon Sheehan, Director, DM Thomas Foundation for Young People

Sustainable collaborations, *continued*

Reduce, reuse ... regrind

At Eastman, we understand the growing need to assess the [full life cycle](#) of our products, from natural resources to consumer use and end-of-life phases. We continually work to maximize the recyclability of our polymers.

In 2014, Eastman collaborated with [DSI Plastics](#) to develop an innovative regrinding and reuse stream for [Eastman Tritan™ copolyester](#), a leading copolyester used in a broad range of applications, including consumer and commercial housewares, medical devices, small appliances, durables and infant care products. The launch of this new recycling application, the result of a four-year project, introduces new potential for Tritan in postconsumer and postindustrial recycling. The initiative — which could benefit all manufacturers, molders and appliance producers using Tritan, as well as consumers and collection facilities — further improves the product's favorable life cycle assessment and contributes to Eastman's sustainability goals.

Tritan products, such as industrial, 5-gallon, bulk water containers and a variety of small appliances, are positioned for reuse into products such as farm flooring and walls, primarily in the European market. If these applications are commercially successful, DSI estimates the potential to use 300 MT of product per year.

"The products that have been developed using Tritan are hygienic, durable and easy-to-clean internal walls and flooring for pens intended for farm animals, such as pigs. Our newly developed and flexible process can take material from a wide range of sources. Now that we have established an identified market for Tritan and other copolyester regrind, waste collectors will be prepared to sort and handle it at economic rates."

— Greg Dubly, General Manager at DSI Plastics



We understand the growing need to assess the full life cycle of our products, from natural resources to consumer use and end-of-life phases.



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
▶ Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Sustainable collaborations, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
► Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Recognizing heroes in innovation

For the first time, Eastman has been recognized with the Heroes of Chemistry award from the American Chemical Society (ACS) for the product that has transformed how brand owners, designers, molders and consumers think about clear polymers: Eastman Tritan™ copolyester.

The Heroes of Chemistry award honors significant advancements in industrial chemistry. To be eligible, a product must meet three criteria: represent a significant technical achievement, achieve commercial success, and demonstrate a positive impact on human welfare.

Tritan squarely hits those targets. The product's unique attributes of toughness, clarity and chemical resistance have made it the material of choice for products that range from consumer appliances and medical devices to sports bottles to baby bottles. Most importantly, Tritan is a safe material that tops traditional plastics on many levels while also being BPA free and, as proven by repeated tests, free of estrogenic and androgenic activity.



Eastman is one of only six Heroes of Chemistry award winners this year.

Eastman Tritan™ copolyester has transformed thinking about clear polymers.



Skydrol® goes the distance

Eastman [Skydrol aviation hydraulic fluids](#) set the standard for the aviation industry. With a proven track record of performance coupled with technical expertise, Skydrol is more than just a product — it's a full-service experience. Skydrol 5, is an innovative formula making a sustainable impact for the aviation industry. The first Type V fluid on the market, Skydrol 5 is a lighter weight option that allows improved fuel efficiency and weight reductions, ultimately leading to fuel savings and cost reduction. It is also the first aviation hydraulic fluid to demonstrate erosion resistance at higher temperatures, making it more durable.



Eastman Skydrol aviation hydraulic fluid allows improved fuel efficiency and weight reductions. For example, a Boeing 747 can achieve up to 2000-gal fuel savings per year and from 28- to 118.8-lb weight savings per load.

Sustainable collaborations, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
▶ Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Collaborating to give carpet new life

Since 2006, Shaw Industries, the world's largest carpet manufacturer, has recycled more than 800 million pounds of carpet. With the increased use of polyester carpet in homes throughout the U.S., new processes were paramount to the company's ability to find viable solutions for carpet that has reached the end of its useful life. Through a collaboration between Eastman and Shaw, the next generation of carpet recycling has emerged. As a result, Shaw has expanded its portfolio of recycling solutions to better meet current and future market dynamics.

Over the past four years, a joint team from Shaw and Eastman developed and piloted a new technology that enables separation of polyester carpet fibers from the backing material more effectively. The result is quality fiber that can be reused in new applications, and the technology can be used to recycle both nylon and polyester carpet. In June 2014, Shaw announced the commercialization of the technology, which will be a new robust process for the carpet industry.

"Combining the expertise and knowledge from both Eastman and Shaw, we were able to continue to innovate and support our customers' sustainability priorities and address evolving market realities."

—Pete Sigmon, Vice President of Innovation, Shaw Industries



Earning a seal of approval

LLumar® window films was recognized in 2014 with the British Skin Foundation's (BSF) seal of approval. Following

the success of the [Skin Care Foundation endorsements](#) in the United States, Eastman's performance films team sought out a similar collaboration for the European region. The British Skin Foundation raises money and funds research to find cures for skin disease and cancer. They also independently review the research that companies undertake to ensure their products are not detrimental to the user's skin health. [LLumar](#) provides a screening of 99.9 percent of UVA and UVB rays without reducing visibility. Following validation by a BSF consultant and panel review, LLumar is the first window film to be endorsed by BSF.



Leveraging science to drive change

Eastman's dedicated full-time [life cycle assessment](#) (LCA) team uses [life cycle methods](#) to analyze the environmental impact of our products — from natural resources through product manufacturing and, when possible, through downstream conversion, use and end-of-life phases.

Eastman has completed cradle-to-gate LCAs on approximately 76 percent of our products, and we have stated a goal to complete cradle-to-gate LCAs on all new product family launches through 2015. We are not on track to meet our goal but are continuing to prioritize products important to our customers for cradle-to-gate LCAs. We do not anticipate being able to complete this goal in 2015 and are currently at 53 percent.

Eastman's LCA team collaborates across the industry, including through our membership in the World Business Council for Sustainable Development (WBCSD). A resulting project of the WBCSD work was the publication of [LCA guidelines](#) for chemical products in 2014, in which Eastman was heavily involved.



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
▶ Sustainable innovation	24
Sustainably advantaged products	25
Working together, sustainable collaborations	29
Leveraging science to drive change	33
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Our mission is to lower emissions.

Meet the woman who's helping us do that in China.

What's more sustainable for the automotive coatings industry: waterborne technology or solventborne systems? By the sound of it, you might think waterborne. But by the science of it, not necessarily. High-solid solventborne technology is also a sustainable solution.

Armed with scientific Life Cycle Assessment data, Director of Government Affairs Laura Hu was instrumental in convincing the Chinese authorities to not mandate waterborne technologies for existing automotive OEM lines—allowing for the more sustainable solution: ours.

At Eastman, we're challenged every day to provide the most sustainable solution to our clients. [Tell us what you're working on.](#)

Make a difference. Share your story. [myeastman/myinsight](#)

EASTMAN

This poster is part of our [employee engagement campaign](#) to educate viewers and expand the definition of sustainability.

Armed with LCA data, Eastman was influential in convincing authorities in China to not mandate waterborne technologies for existing OEM line, allowing for sustainable solventborne solutions, such as Eastman's solventborne coatings.



Laura Hu
Director, Government Affairs, Asia Pacific

Completed

cradle-to-gate
life cycle analyses on

76%

of top product lines

Environment

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



Eastman's innovative spirit and commitment to environmental stewardship are driving an exciting collaboration with Woods Hole Oceanographic Institution (WHOI), the world's largest private, nonprofit oceanographic research institution.

Global Environmental Affairs

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
► Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Eastman's sustainability strategy encompasses the triple bottom line, ensuring that we remain focused on making the world a better place, not only through our innovative products but in the way we manage our resources. We continuously strive 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, we have comprehensive guidelines and processes in place for reducing energy usage and minimizing our environmental footprint.

Eastman's Global Environmental Affairs team leads the charge for Eastman's environmental focus. Through their work each and every day, Eastman maintains operations and provides expertise and insight across the value chain. Guided by Eastman's [environmental policy](#), the Global Environmental Affairs team delivers compliance and insight to maintain sustainable operations and continually make improvements to Eastman's products and processes. The expertise of this global team enables Eastman to be a responsible environmental steward

while minimizing the company's footprint and conserving natural resources in a cost-effective manner. This team works tirelessly to understand and comply with an increasingly complex web of applicable environmental laws, regulations and policies. They also work to understand and proactively manage emerging issues, which allows Eastman's businesses to focus on growth and innovation.

We are mindful that our manufacturing processes require large amounts of resources, including energy and water, which is why we are committed to implementing innovative solutions to maximize efficiency and reduce emissions. Not only does this deliver productivity gains for our business, it contributes to our regulatory compliance and reduces our environmental footprint. We have set clear, [measurable targets](#) for [energy intensity](#), [greenhouse gas emissions](#), and [water conservation](#). We also focus our efforts to [reduce waste](#), enable a [sustainable supply chain](#), and continually understand the impact of our products on the environment through [life cycle assessments](#). For us, this is an ongoing effort. As our company continues to grow, we have more opportunity for improvements.

The men and women of Eastman take environmental stewardship to heart. We understand that maintaining safe, sustainable operations not only impacts our company but our communities, the environment and our collective future. We also value the importance of collaboration to drive change, both internally with our businesses and functions as well as externally with [academia](#), environmental agencies and organizations, customers and our [communities](#).



RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

Global Environmental Affairs, *continued*

Woods Hole collaboration

Eastman's innovative spirit and commitment to environmental stewardship are driving an exciting collaboration with Woods Hole Oceanographic Institution (WHOI), the world's largest private, nonprofit oceanographic research institution. The oceans are driven by exchanges with the atmosphere across the air/sea interface. WHOI researchers are world leaders in making observations of the marine atmospheric boundary layer and ocean surface layer. WHOI scientists use these observations and various other data and models to estimate air/sea fluxes.

In 2014, Eastman provided funding for ocean research that will lead to a better understanding of the role of the oceans in predicting long-term weather patterns. With the funds, WHOI developed a low-cost X-SPAR buoy for air/sea flux measurements in remote, inhospitable regions of the ocean where bottom-anchored buoys are not feasible. The buoy was launched in June 2015. A second project funded in part by Eastman included the launch of an autonomous underwater glider in April 2015, designed to monitor the Gulf Stream.



"There is a saying that small hinges swing big doors. While we may not have answers to all of the world's questions, through expertise and strategic partnerships, we have the ability to make a big difference in the world. The ocean is complex and difficult to understand. Supporting some of the world's leading ocean scientists as they find solutions to challenging problems illustrates the tremendous potential of public/private partnerships." — David Golden, Senior Vice President, Chief Legal Officer, and Corporate Secretary



Above: The X-SPAR buoy was launched in 2015.

Left: Eastman sponsored Woods Hole Oceanographic Institution's development of autonomous underwater gliders designed to monitor the Gulf Stream.

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Natural resource management

Energy

At Eastman, energy efficiency is a critical component of our sustainability strategy, as evidenced through the inclusion of a corporate energy reduction goal on the personal performance commitment of the company's CEO.

Through our Worldwide Energy Management Program, led by a full-time Certified Energy Manager, we continue to implement many successful energy efficiency projects that have helped reduce our energy intensity and overall emissions. A major contributing factor to our energy efficiency is our award-winning deployment of [cogeneration](#), also known as combined heat and power (CHP). Using cogeneration enables us to convert more

In 2014, EPA recognized Eastman with an ENERGY STAR® Combined Heat and Power (CHP) Award for excellence in combined heat and power operations at the Kingsport site. Eastman's Kingsport site, which has been using cogeneration for more than 80 years, houses 17 boilers that produce steam to support manufacturing processes, help meet the heating and cooling needs of more than 600 buildings, and drive 19 steam turbine generators with a combined capacity of 200 megawatts of electricity. This is enough electricity to power a city of nearly 170,000 homes.

than 70 percent of the energy we obtain from fossil fuel into power and steam for our manufacturing processes.

In 2014, Eastman's Worldwide Energy Management Program faced significant challenges, including intense winter weather and power outages at the company's two largest manufacturing sites, a rare occurrence in the history of the company. At the Kingsport site, the power outage of 2014 was the first since 1998 and only the fifth in the company's 95-year history.

Despite these challenges, gains were made in a number of areas. For example, the top two energy users at the Kingsport site — making up 14 percent of the total company energy use — showed a 4 percent improvement over a 12-month period. Using the baseline energy intensity compared to current production at current energy prices, Eastman would have spent approximately \$30 million more in 2014 on energy if the energy intensity had not changed since 2008.



key energy goals
progress

reduced
energy intensity
10%
since 2008



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Natural resource management, energy, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

2014 energy efficiency highlights

- Improved energy intensity by approximately 10 percent since 2008
- Named 2015 ENERGY STAR® Partner of the Year — Sustained Excellence winner for the second year in a row, totaling four consecutive Partner of the Year recognitions. Eastman is the only chemical company to earn the award more than once.
- Received American Chemistry Council (ACC) energy efficiency awards for the 22nd consecutive year for 10 projects, which save more than 221,000 MM BTUs and 14,000 tons of greenhouse emissions annually
- Energy savings in 2014 equal a reduction of more than 200,000 tons of CO₂ (equivalent to emissions for 38,000 cars).
- Developed an Energy Design Checklist, a standardized guideline for integrating energy efficiency into the design of equipment and chemical processes.
- Developed more rigorous methodology based on DOE guidelines to calculate energy intensity. The tool was reviewed and confirmed by Oak Ridge National Lab engineers.

Eastman was named the 2015 ENERGY STAR® Partner of the Year — Sustained Excellence winner for the second year in a row. Eastman has been recognized as a Partner of the Year four consecutive years and is the only chemical company to earn the award more than once.



Natural resource management, *continued*

Air quality

Greenhouse gas

Annually, Eastman submits greenhouse gas emissions data in compliance with the EPA's mandatory greenhouse gas (GHG) reporting rule established in 2010.

For 2014, Eastman reported carbon dioxide (CO₂) equivalent emissions amounting to 7.58 million metric tons, including biogenic emissions.

Emissions

Prior to setting our 2020 goals and establishing a new baseline in 2010, Eastman had been working to reduce emissions for several years. Between 2005–2010, Eastman made progress as shown here.

- VOC emissions decreased by 26 percent
- SO₂ emissions decreased by 17 percent
- NO_x emissions decreased by 11 percent

We recognize in recent years, our progress toward emission reductions has declined, primarily due to recent acquisitions of additional sites and increased production volumes. We continue to work on improvement opportunities. For example, in 2014, we successfully converted the first of five boilers at our Kingsport, Tenn., site from coal to natural gas combustion. We plan to convert a total of five more boilers at two sites by the end of 2018. This project, the most significant air pollution control project in the history of Eastman, will diversify the Kingsport facility's energy mix from 90 percent coal to 50 percent coal and 50 percent natural gas. It is projected to reduce site greenhouse gas emissions by nearly 20 percent, Toxic Release Inventory (TRI) emissions by 25 percent, and criteria air pollutants emissions (sulfur dioxide and nitrogen oxides — SO₂ and NO_x) by 60 percent from 2010 levels. The greenhouse gas emissions reduced would be equivalent to taking 170,000 cars off the road.

Energy and emissions data

Total direct and indirect greenhouse gas emissions by weight

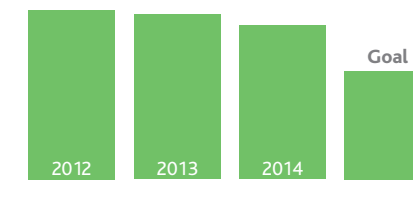
(GHG = lb CO₂ per lb of product sold)



NO_x air emissions by weight (tons)



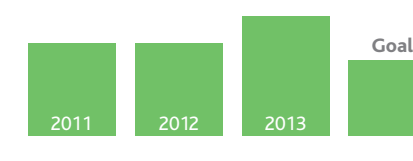
SO₂ air emissions by weight (tons)



VOC air emissions by weight (tons)



TRI air emissions by weight (Mlb)



See eastman.com/sustainability for detailed charts.

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Natural resource management, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Water

At Eastman, we base our water management practices on the key principles of efficient use and pollution prevention. All of Eastman's manufacturing processes are carefully designed to minimize our water use, increase the opportunity for recycling and safeguard against the possibility of contamination.

In 2014, we focused on benchmarking water metrics against the GRI database to better understand the standards and best practices for such measurement and reporting. Using two innovative resources, the [WBCSD Global Water Tool](#) and [Aqueduct Water Risk Atlas](#), we made an initial determination of which sites are in high-risk water-stressed areas or are expected to be in water-stressed areas in the next 10 years. Following the initial assessment, a cross-functional team was established to enhance our water management efforts. The team evaluated the company's energy management program to determine how it could be leveraged towards a water conservation program. The team is now beginning to discuss the assessment results with each site. Over the next several months, the team is focused on defining a corporate level strategy for water management and gaining a deeper understanding of the Eastman sites that are located in high-risk water-stressed areas. Additionally, the team is working to increase employee awareness of our water management efforts as well as quantify more detailed water data to be incorporated into our life cycle assessment process.

Water quality, recycling and pollution prevention

We strive to conserve and protect our natural water resources, especially the [rivers](#) and bodies of water that support our manufacturing processes. Water conservation and recycling are top priorities, and they inform many Eastman processes and policies. We have advanced wastewater treatment plants and processes at our manufacturing facilities, which are engineered to meet — and in many cases exceed — environmental standards while protecting the health of our employees, our communities and our local ecosystems. As we have acquired sites through our recent acquisitions, our dedicated team is leveraging our wastewater treatment experts to access and potentially improve the efficiency and effectiveness of these systems.

In 2014, we conducted treatability studies for three sites — Kohtla-Järve, Estonia; Chestertown, Md., USA; and Maua, Brazil — to ensure our waste water processes are at optimal performance. We are currently building a new state-of-the-art wastewater treatment facility at the Maua, Brazil, site, which will include a membrane bioreactor. This will be Eastman's second site to utilize this type of treatment facility after Eastman's Patriot Center, Va., location, which was acquired from [Commonwealth Laminating and Coatings](#) in 2014.



Installation of the new membrane bioreactor at Eastman's Maua, Brazil, site.

Goal

Develop a water conservation strategy for manufacturing sites in water-stressed regions



Natural resource management, water, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Getting the right water and the right products in the right places

Eastman team members work diligently to ensure the thousands of pipes, drains and sewers at our plant sites are functioning correctly, carrying the right materials to the right destinations.

Drainage analysis: A full-time team at Kingsport, Eastman's largest site, is committed to continuous drainage analysis and maintenance of our drainage systems. This includes completing studies of all buildings at the site served by inceptor sewers — approximately 14,500 sewer identification tags for 1,200 buildings. Work is ongoing to assess all buildings inside the plant site. The team employs various methods and monitoring devices to confirm continuity of the drainage system while detecting leaks for further analysis and repair as needed.

Sewer repair: We maintain four independent sewer systems at our Kingsport site: sanitary, noncontact cooling water, storm, and process wastewater that flows to the wastewater facility for treatment. More than 26 miles of pipes make up these systems. A dedicated team works diligently to repair and replace piping to prevent leaks as well as groundwater entering into these systems. In 2014, the team lined approximately 6,000 feet of sewer through a process called trenchless technology, allowing the team to make repairs without digging or disrupting the pipe structure.

On a regular basis since the 1960s, Eastman has commissioned the world-renowned, Philadelphia-based Academy of Natural Sciences of Drexel University to study the rivers upstream and downstream of our major United States manufacturing sites, to ensure that our operations are not negatively impacting the environment. Two of the most extensive of these river studies are focused around the Kingsport, Tenn., and Longview, Texas, sites. This poster is part of our [employee engagement campaign](#) to educate viewers and expand the definition of sustainability.



Click on the image to learn more about Eastman's river studies, including a video about the South Fork Holston River.

Waste management

Eastman's integrated manufacturing approach ensures that many of the materials derived in production are recycled, with components often being used in the manufacture of other products. To drive continuous improvement, we have a [stated goal](#) to reduce hazardous waste by 15 percent by 2020.

Reclaiming and recycling

We take great care to manage our on-site waste production. Eastman's Anniston, Ala., site has implemented a reclamation process for metal drums. Year to date, more than 750 drums have been sent for reclamation with plans to collect an additional 100 drums in the coming months. Through the project, the site estimates potential cost savings of more than \$6,000 as well as reduced waste sent to landfill. The Anniston site also recycles approximately 90 percent of its cardboard.

Diving into the trash

In 2014, Eastman's Kingsport site recycled 2.6 million lb of cardboard, paper and plastic that would have otherwise been disposed in a landfill. We know, however, that we have opportunity for progress. In our continued effort to improve our recycling processes, several Eastman team members from the Kingsport site organized a trash audit in the fall of last year. The team of volunteers engaged the Corporate Sustainability Team and expressed interest in reducing waste. To understand the amount of waste produced at the site and the amount of recyclable materials currently going to landfill, the team decided to manually sort nearly 1,000 lb of trash — the equivalent of waste collected in a one-hour period at the site! Of the 1,000 lb, it was determined approximately 25 percent of the items thrown away could currently be recycled through existing channels, including cardboard, paper and plastic. Additionally,

54 percent of the items have the potential to be recycled if appropriate channels are established. As a result of the trash audit, the Kingsport site implemented single-stream recycling on Earth Day this year.



Eastman team members from the Kingsport site organized a trash audit and manually sorted nearly 1,000 pounds of trash.

Waste management
goal

reduce
hazardous waste
intensity by
15%
by 2020



*Wastewater treatment plant,
Kingsport, Tennessee.*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83



Making a difference along the supply chain

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

At Eastman, our sustainability strategy extends beyond our operations and includes the entire [supply chain](#). To make a difference and achieve results, we proactively collaborate along the value chain, working upstream with our suppliers and downstream with our customers — and their customers — to understand needs and develop innovative, sustainable solutions.

Recognizing excellence in innovation and sustainability

Eastman's Supplier Excellence Program (ESEP) has historically recognized suppliers that have enabled sustainable projects or solutions for Eastman. In 2014, we challenged our procurement organization to increase our supplier engagement, asking suppliers to bring innovative and sustainable ideas to us periodically throughout the year. Over the past year, we have collected numerous ideas, many translating into viable projects. In 2014, Eastman's Logistics organization held three regional Supplier Appreciation Days, bringing key suppliers representing truck, rail, marine, warehousing and transfer facilities together in North America, Europe and Asia Pacific. More than 400 suppliers attended the three events, focusing on innovation and creating value along the supply chain. We continue to focus on strengthening relationships with our suppliers as we move forward together to deliver results.

Network optimization

Eastman's Integrated Global Supply Chain continuously looks for opportunities to optimize and maintain a sustainable logistics network. Last year, Eastman began using an innovative intermodal facility developed by the South Carolina Ports Authority at Greer, S.C., for export shipments. The project replaced part of the current all-motor move from Kingsport to Charleston with a motor-rail option via Norfolk Southern, removing 212 miles of truck travel from each shipment, resulting in reduced costs and reduced truck emissions. As a result of



the collaboration, Eastman presented **South Carolina Ports Authority** and **Norfolk Southern** with **Sustainability and Innovation Awards**.

Collaboration for sustainable solutions

Eastman recognized **Airgas** with a **Sustainability Award** for implementing a reclamation process for unused containers of R-11 refrigerants, which are known to deplete the stratospheric ozone layer and are a potent greenhouse gas. Through the innovative process, Airgas safely purchased and reclaimed several thousand pounds of material from Eastman property with no product released to the atmosphere, creating value of more than \$340,000 for Eastman. Eastman also recognized **BASF** and **Suzhou Luosen Auxiliaries Co., Ltd.** with **Sustainability Awards** for 2014 for their commitments to sustainable operations and customer solutions.



Eastman Supplier Excellence Program recognizes suppliers in the supply chain cycle who enable sustainable projects or solutions.

Making a difference along the supply chain, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Winning gold for greener workplace practices

In 2014, Office Depot, Inc. recognized Eastman with a Special Recognition for Workplace Recycling award during the Office Depot Leadership in Greener Purchasing Summit. The award was presented for Eastman's exemplary ink and toner cartridge recycling rate of 81 percent. Out of more than 6,000 Office Depot customers, Eastman was one of only 30 to be recognized. The award reflected the hard work by Eastman's indirect procurement team to promote cartridge recycling since starting a contract with Office Depot in 2012. As well as recycling, Eastman's indirect procurement team has actively promoted ecoconscious office supplies to Eastman buyers, including but not limited to recycled paper, remanufactured toner cartridges, organic coffee, refillable pens and energy efficient lighting.

"I am very proud of Eastman's emphasis on sustainability," said Tina Davis, director of Global Indirect Procurement and Supply Chain at Eastman. "As the recipient of Office Depot's Workplace Recycling award, we have demonstrated Eastman's corporate strategy as a responsible steward in our immediate geographic area and across the globe."

Following the awards event in 2014, Eastman and Office Depot jointly hosted a Green Summit at Eastman's corporate headquarters in early 2015. Eastman's Chief Sustainability Officer, Godefroy Motte, and Office Depot's Senior Director of Sustainability, Yalmaz Siddiqui, highlighted Eastman's progress over the past three years and recognized the top five "green" office supply purchasers at Eastman.



"Eastman is a sustainability leader in a variety of ways," said Siddiqui. "Not only do they look for suppliers that share their values, but they are also incredibly creative and open minded in terms of engaging employees in their sustainability efforts. The events we have hosted together reflect a true best practice in terms of a supplier and buyer working together to advance sustainability for both organizations. We are thrilled to renew our partnership with Eastman and look forward to future progress we can make together."

Making a difference along the supply chain, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Global commitment to sustainability

Eastman is proud to be the first U.S.-based company to join Together for Sustainability, an initiative driving improvements in sustainable procurement. As a result of this commitment to sustainability, Eastman's **Integrated Global Supply Chain** was recognized with a **2014 Green Supply Chain Award** by *Supply & Demand Chain Executive*.



Improving efficiencies through innovative packaging

In 2014, Eastman introduced a new plastic pallet design and container-loading configuration to reduce distribution costs, reduce SKUs and meet the needs of our rubber additive customers. Converting to the new pallets allows double stacking of product in 40-foot containers for export business and increases loads from 18 metric tons to 23.4 metric tons. Additionally, Eastman implemented the use of NexDrum™ by Grief, a new approach to manufacturing plastic drums that results in improved safety, sustainability, and cost reduction. The technology behind NexDrum enables 15 percent savings of plastic materials while delivering a stronger drum for storage and transportation of material. The technology also lends itself to mixing different colors for tops, body and bottoms for marketing appeal.



Innovative packaging options reduce costs and improve safety and sustainability.



Designed for success

In 2014, two of Eastman's offices in Asia Pacific — Shanghai and Singapore — achieved LEED® Gold Certification by the [U.S. Green Building Council](#). LEED, or Leadership in Energy and Environmental Design, is a certification program that recognizes best-in-class sustainable building practices and strategies. To receive LEED certification, building projects must earn points through a rating system based on the prerequisites established by the LEED program.



Eastman's new Shanghai location, which opened in April 2014, achieved gold certification with 71 points. The Singapore office achieved gold certification with 69 points. Elements that contributed to the buildings' certifications include:

- Exemplary performance in water efficiency measures
- Improved lighting and HVAC efficiency
- Use of paints, coatings and flooring with lower VOC emissions
- Integrative approach to waste management

Eastman's Shanghai office (left and below) includes many features that contribute to the high-ranking LEED certification. Some of these attributes are detailed at left.



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
▶ Environment	34
Global Environmental Affairs	35
Natural resource management	37
Waste management	42
Making a difference along the supply chain	43
Designed for success	46
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
Goals and progress	83

Corporate Social Responsibility

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

At Eastman, people are at the heart of our business. We also have a robust focus on the safety and well-being of our employees, communities and the world. For us, corporate social responsibility is more than just philanthropy. It shapes how we operate. Within our societal goals, we have set clear targets to improve [safety](#), provide opportunities to improve [health and wellness](#), and [invest in our local communities](#) as well as global initiatives where we see potential for collective impact.



Eastman is proud to be recognized among the Top 100 Best Corporate Citizens by *CR Magazine* for 2015.



Safety



At Eastman, safety is a core value. Whether it is the personal safety of our employees, [process](#) and [transportation](#) safety, [product](#) safety, or the [security](#) of our people, operations and information, Eastman is committed to safety principles and expectations that drive our daily business practices. Our employees maintain a personal commitment to safety and realize that because we care, we choose to act in a manner so that everyone is safe.

We believe that any job can be done safely and without incident, and we work to ensure the safety of our employees, neighbors and customers. Each year, we aim to improve personal safety, striving toward an ultimate goal of an injury-free workplace. We have set clear performance targets to reinforce our commitment to our [guiding principles](#). We have made great progress toward our safety goals; however, we recognize the need to continue efforts to achieve our safety targets. We strive to continually make improvements to our programs and processes to help keep our employees safe at work.



In 2014, Eastman's ALL IN FOR SAFETY team worked diligently to communicate and reinforce a set of Basic Safety Expectations that apply to all employees globally. The team aimed to focus employees' attention on a simple set of expectations that could easily be remembered.

Eastman Basic Safety Expectations

- Follow procedures and safety rules.
- Take time to do the job safely.
- Identify and eliminate hazards.
- Watch out for coworkers.
- Report all job-related injuries or illnesses.
- Use appropriate personal protective equipment.



Safety goal

Committed

to an injury- and incident-free workplace



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

Safety, *continued*

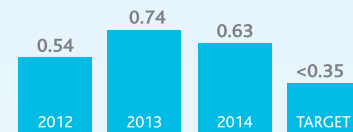
Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

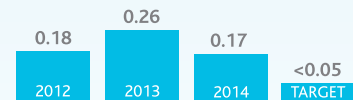
Global Injury and Illness Rates

Annual incidents per 100 employees (200,000 work hours) involving treatment beyond first aid in relation to actual work hours.



Global Days Away from Work (DAW)

Annual incidents per 100 employees (200,000 work hours) where work is missed in relation to actual work hours.



Global Process Safety Incidents

The number of process safety incidents globally that match specific criteria established by the American Chemistry Council (ACC).

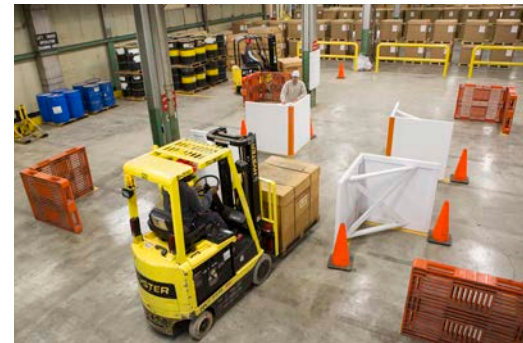


Targets are being adjusted in 2015 to account for acquisitions and past performance.

Through the ALL IN FOR SAFETY effort, Eastman continues to emphasize a 24/7 safety focus. In 2014, efforts were targeted to raise awareness of the risks of distracted driving. Through the **"Bag it Up" campaign**, employees were provided with pouches to store their cell phones while driving as well as information concerning the hazards associated with distracted driving.

In late 2014, a **"Safe Walking"** emphasis was initiated to focus attention on simple, observable safety behaviors and to help develop safe habits both on and off the job.

Over the course of 2014, Eastman also reinforced process safety through a series of **"boot camps"** at various sites around the world. These boot camps, developed by Eastman and the Center for Chemical Process Safety in 2012, are designed to educate engineering and manufacturing employees about process



Eastman safety training includes forklift safety.

safety expectations at Eastman. The customized, three-day training course provides an opportunity to learn from Eastman's long history and strong process safety culture. Throughout the training, examples and case studies from past events and experiences are discussed, including lessons learned and how those apply today. Since the inception of these boot camps in 2012, Eastman has provided 34 courses, reaching nearly 1,000 employees to date. Additionally, a four-hour overview session has been created to allow team managers to train operators at our manufacturing locations.



The "Bag it Up" campaign reminds employees to store their cell phones while driving.

Safety, *continued*

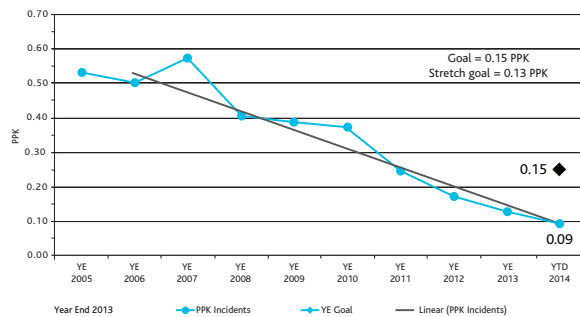
Transportation safety

When it comes to [transportation safety](#), Eastman continues to see a decrease in the rate of transportation incidents. In 2014, Eastman once again achieved a best-ever performance of 0.09 distribution incidents per thousand shipments, exceeding the goal of 0.13.

2014: best-ever performance

0.09

distribution incidents per
thousand shipments
exceeding the goal of 0.13



Recognized for safety along the supply chain

Five major rail services — BNSF, Union Pacific, CSX, Canadian National and Norfolk Southern — recognized Eastman for excellence in safety performance in 2014. This marks the first time Eastman has won more than four rail services awards in one year. The recognition is given to companies achieving a full calendar year with zero nonaccidental chemical releases for shipments (tank cars only) of regulated hazardous materials. They also recognized Eastman for implementation of best practices to ensure person, process, product and transportation safety, including annual securement training for loaders, documented loading procedures, recognition program for safest loaders, pretrip inspection and testing, incident investigation and strategic incident prevention efforts.



Eastman also received the Marine Environmental Stewardship Award from American Commercial Lines Inc, an integrated marine transportation service company. The award recognizes Eastman's Jefferson, Pa., site for an unwavering commitment to safely completing at least 30 transfers with ACL in 2014 with no spills. It also acknowledges the company's commitment to environmental stewardship and conservation.

Eastman was recognized for safety performance by five major rail services in 2014 — the first time Eastman has won more than four rail services awards in one year.

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

Health and wellness

At Eastman, we care about our employees. Their safety and wellness are our priority, and they are the common thread among employees around the world.

We understand the value of health and wellness and the impact it has on quality of life. We look beyond physical activity and incorporate safety and well-being into the equation because we realize all of these factors contribute to a person's overall health. Eastman aims to provide a desirable place to work where employees are engaged and productive. We want to arm our employees with the tools they need to manage a healthy lifestyle, so they can live happy, healthy lives well into retirement. We also understand that we have the potential to impact families and communities through our employee base.



Making an impact in 2014

Eastman has stated a goal to increase utilization of preventive services by employees and spouses by 2017 in the U.S. The following programs are examples of the progress we made in 2014, not only in the U.S., but around the world.

Employee support programs

In 2014, Eastman established the International Employee Support Programme, providing access to counseling and lifestyle management tools for all employees worldwide. For the past several years, U.S.-based employees have had access to the Employee Assistance Program (EAP). Both programs provide assistance to employees and their families.

Tackling diabetes

To address the growing health issue of diabetes, Eastman has partnered with the YMCA to bring the Diabetes Prevention Program to the workplace. The YMCA's Diabetes Prevention Program uses a curriculum approved by the United States Centers for Disease Control and Prevention (CDC) and is part of the CDC-led National Diabetes Prevention Program. The outcomes include participants reducing body weight and increasing physical activity through gradual year-long lifestyle changes.

Eastman team members from the Santo Toribio Laboratory reached "La Malinche," the fourth highest mountain in Mexico — then proudly displayed their Eastman Tritan Nalgene water bottle at the summit.



Health

Health goal

Increase preventive services access by

15%

among employees and spouses in North America

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

Health and wellness, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83



As part of the new Healthier Tennessee initiative launched in 2014, Eastman has been designated as a “Healthier Tennessee Workplace” by the Governor’s Foundation for Health and Wellness. Healthier Tennessee was established to encourage and enable Tennessee residents, employers, schools, congregation and community partners to drive change to improve the overall health of the state. Workplaces may be recognized as a Healthier Tennessee Workplace after pledging commitment to health in the workplace and meeting requirements that demonstrate commitment to employee health.

Wellness + Prevention + Consumerism = **A Healthier Eastman**

“Given the efforts Eastman and its team members are making to create a healthier Eastman, it’s nice to receive this [Healthier Tennessee Workplace] recognition.



The recognition is great, but what it means for our team members is what’s most important. We want all of our team members to enjoy long and healthy lives beyond their active careers and well into retirement years, and that’s what our efforts aim to achieve.”

— Perry Stuckey, Senior Vice President, Chief Human Resources Officer



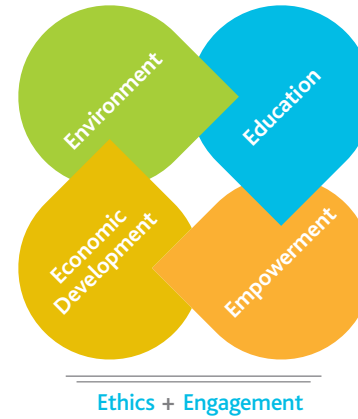
70 employees from Ghent, Paris, Capelle, Cologne, Merelbeke, Kohtla-Järve and Middelburg at the NN Marathon Rotterdam. Eastman matched the team’s donations to the World Cancer Organization, raising over \$1,000. (right) Rene Loozen, Market Insight and Strategy Manager in the Capelle Office, was Eastman’s fastest 10K runner in the Rotterdam event, placing 26th out of 11,524 people.



People and communities

For nearly a century, Eastman has been dedicated to delivering value to our stakeholders. We take our responsibility seriously and work daily to improve the health and environments of the communities where we operate. Eastman employees represent the heart and soul of our efforts, making a difference at work and in their communities.

While we have a strong history of supporting the communities in which we operate, as we have continued to grow as a company, we see the need to develop a more comprehensive, global strategy for our societal efforts. With limited time and resources, setting our focus on the right projects where Eastman can make a collective impact is critical as we move forward. In 2014, Eastman established a new Corporate Social Responsibility (CSR) team dedicated to embedding Eastman's societal commitments globally. The goals of Eastman's CSR strategy are to drive business growth through increased brand awareness, effective use of corporate resources and strategic collaborations. The team works with business, government, nongovernment and community organizations, bringing together complementary strengths and shared responsibilities to create a collective impact not only for Eastman but also our partners and our stakeholders.



Eastman's societal strategy focuses on four core elements underscored by ethics and engagement:

- Environment
- Education
- Economic Development
- Empowerment

As we focus on making improvements around the world, we hold steadfast

to our core values of honesty, integrity and ethical business practices. We strive to engage employees, communities, organizations and businesses as we move forward together, identifying projects and initiatives where we can make a difference.

We are proud to share a few examples of the great work Eastman team members have done over the past year to support the company's societal efforts.

Nearly a **century** of making a difference at work and in our communities



Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
► Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

People and communities, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

Environment

Eastman's commitment to environmental stewardship and energy conservation is integrated into all aspects of our business. Eastman collaborates across the industry as well as with policymakers and nonprofit organizations to promote environmental awareness and advocate for positive change in the communities where we operate and conduct business. We allocate resources to communicate a clear commitment to environmental stewardship through our strategic community investments.

- [Woods Hole Oceanographic Institute](#)
- [Good Sports Always Recycle™](#)
- [The Nature Conservancy](#)
- [Appalachian Sustainable Development \(ASD\)](#)
- [Southern Appalachian Highlands Conservancy \(SAHC\)](#)



Education

Eastman has a long history of advancing educational efforts in the communities where we operate. We believe creating quality science, technology, engineering, arts, and math (STEAM) opportunities for today's youth will enhance the workforce of the future. The Eastman Foundation provides support through arts and cultural funds and councils, as well as performance sponsorships and performing arts organizations. We have set a

corporate [goal](#) to leverage academic partnerships and continue investing at least one-third of our company contributions to promote educational excellence. In 2014, we allocated a significant portion of our [corporate contributions](#) to educational partnerships, including workforce development.

- [GEM4STEM/STEAM](#)
- [Eastman Scholar Mathletes](#)
- [Putting Children First](#)
- **Rotterdam School of Management (RSM)** is an internationally ranked business school at Erasmus University which focuses on developing leaders in global, sustainable businesses. Eastman and RSM collaborate through four focus areas — research, recruitment, training and development, and marketing and branding initiatives. Eastman team members have the opportunity to volunteer with RSM in a number of ways, including career fairs and guest lectures, as well as part of individual projects and initiatives.



Education

Goal met

Leverage academic partnerships and continue to invest at least one-third of our company contributions to promote educational excellence

Students at the Regional Center for Advanced Manufacturing (RCAM) learn about robotics with NAO NextGen.



PHOTO: ALDEBARAN

People and communities, *continued*

Be a catalyst

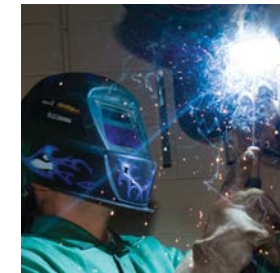
In 2014, Eastman launched “Be a catalyst. Start something BIG,” a new recruitment theme highlighting what it means to be part of a company made up of people who make a difference. Eastman is proud to offer extensive possibilities for talented and innovative people to enjoy a variety of career paths while gaining personal and professional development opportunities. From engineering and manufacturing to business and technology, Eastman is committed to bringing catalysts together to start something big, today and for the future. Learn more about [Careers at Eastman](#).



Economic development

Eastman understands the value of investing in the economic development of our communities. We encourage community infrastructure development by leveraging capital investments that open doors for area cities and counties to pursue grants or other funding opportunities. We help lead efforts to recruit new or expand existing industry and businesses to the area, support retail, restaurant development, and other quality of life amenity projects in the communities where we live and work. Additionally, we purposefully source from local- or state-based businesses and hire locally qualified and skilled workers for contract and special project work as appropriate.

- **RCAM:** The Regional Center for Advanced Manufacturing (RCAM) is an off-site teaching facility for Northeast State Community College located in Eastman’s headquarter community of Kingsport, Tenn. RCAM is “powered by the Advanced Manufacturing Partnership (AMP),” a public/private partnership focused on



addressing workforce development issues related to advanced manufacturing. RCAM programs consist of job-related education and job-specific training, leading to eligibility for an Industrial Operations certificate from Northeast State. Many graduates of the program have advanced into management roles in Eastman’s manufacturing operations.

- **Center for Advanced Film Manufacturing (CAFM):** The CAFM is a collaborative effort involving Eastman, Patrick Henry Community College (PHCC) and New College Institute. The CAFM program provides hands-on and classroom training in industrial principles and advanced film manufacturing skills to prepare future employees for a career in advanced film manufacturing and related industries.

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

People and communities, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

2014 Corporate contributions

250 organizations **\$2,453,741**

Education Environment Empowerment Economic Development

In 2014, the Eastman Foundation, a 501(c)3 nonprofit organization, donated approximately \$2.5 million to more than 250 organizations. We are a proud corporate supporter of a number of worthwhile philanthropies, community programs and organizations that promote sustainable practices and public/private partnerships.

Empowerment

Eastman is committed to building an engaging and dynamic work environment with a mindset of gender equality and inclusion. A [diverse and inclusive](#) workforce is important to the growth of our business and fosters creativity, innovation and camaraderie across our global company. We support and encourage employees to continue to build upon skills that tap into their individual strengths, abilities and knowledge to excel at work and in the communities where they live. With an emphasis on health and wellness, safety and personal/professional development, we are committed to the well-being of our employees and communities around the world.

- **Engineers Without Borders (EWB):** Eastman fully supports opportunities for team members to be involved with organizations such as Engineers Without Borders, a national nonprofit organization that seeks to provide basic human needs like clean water, sanitation, and renewable energy in developing countries by collaborating with local partners to design and implement sustainable engineering projects. The EWB chapter based in Kingsport, Tenn., was founded in 2013 largely by Eastman engineers and scientists who have a passion for creating sustainable, positive change. The chapter has plans to partner with several rural communities in Latin America this fall that have a need for safe drinking water. Eastman will provide travel and medical arrangements for each of the travelers.
- **United Way:** Eastman team members have long been actively engaged in volunteer efforts provided by the company. For example, in 2014, employees at Eastman's corporate headquarters in Kingsport contributed approximately 10,000 hours of company-paid time to volunteer for a variety of community projects, including United Way Week of Caring.
- [Eastman Professional Development Club \(EPDC\)](#) and [Young Eastman Professionals \(YEP\)](#)



People and communities, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

Engaging our employees to make a difference

At Eastman, our employees are the foundation of our culture. Providing opportunities for our team members to reach their potential is critical for their [professional development](#) and for the future of the company. We also focus our efforts to enable and empower employees to explore Eastman's sustainability journey and our corporate goals. It is the goal of our CSO to embed sustainability into every aspect of our company — to make it part of our DNA.

We have established a number of [initiatives](#) to help create a culture that thinks and acts sustainably, including Green Teams and Sustainability Ambassador Teams at our sites around the world. We continually explore ideas and suggestions for engaging our employees on sustainability-focused issues and projects. For us, this journey is ongoing, because we understand that we are only successful when we work together as a team.

Grabbing attention. Getting the message out.

In 2014, Eastman's corporate sustainability team initiated a creative, personalized employee engagement campaign to educate viewers and expand the definition of sustainability. Sustainability is often linked to environmental metrics and efforts or environmentally focused products. The team wanted to help employees see the spectrum of sustainability, from the obvious examples such as recycling to perhaps the less obvious examples such as educational investment. Through a series of posters, banners, table-top collaterals and elevator clings, faces

Peace. Love. And strategic global partnerships.

Economic growth is a major pillar in Eastman's sustainability efforts. We constantly innovate, seeking creative solutions to improve markets and the world alike. It takes collaboration—and people like Dominique Sorgeloos.

Dominique leads a global strategic account team that ensures our continued commercial excellence. Under his leadership, we will be named a strategic global partner to BASF. Imagine: two big chemical companies working together to solve sustainable problems, such as developing low-VOC automotive coatings.

Call it a corporate love-in. But that's the kind of cooperation that can change the world for the better.

What are you doing to be more sustainable?

Make a difference. Share your story. [myeastman/myinsight](#)

EASTMAN

Dominique Sorgeloos
Global Strategic Account Director

and stories of Eastman team members from around the world began to infiltrate the halls and elevators of our sites and offices. The campaign shares examples of how each person is sustainably minded at work and at home. It also encourages employees to share their stories and examples for a chance to be featured on future collateral pieces. As the campaign got underway, the team learned of many additional examples and developed a list of new stories to share.

"Peace. Love. And strategic global partnerships." Eastman's Global Strategic Account Director, Dominique Sorgeloos, shares his story of collaboration and sustainability with other Eastman employees and asks the question: "What are you doing to be more sustainable?"

People and communities, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

Recognizing employee engagement

Eastman's most recent acquisition of Taminco brought a deeply ingrained employee engagement effort to Eastman called the T-Care Awards. Annually, Taminco provided an opportunity for employees to nominate projects in three award categories: Sustainable Innovation, People and Society, and Responsible Care. With the 2014 awards program underway at the time of acquisition, Eastman's Sustainability Council supported the completion of the awards. Through employee voting as well as review and voting by members of the Sustainability Council, nominations were narrowed to five finalists for each category. The winners were announced at a ceremony earlier this year in Belgium. Members of Eastman's management, including our Chief Sustainability Officer Godefroy Motte, were on hand to present the awards. The winning projects included:

- Sustainable Innovation: Tenaz for the Latin American market
- People and Society: "Rebuilding lives and the community" — a philanthropic project by Taminco employees in the Philippines following Typhoon Haiyan
- Responsible Care: Educating customers around the importance of safety and product handling for methylamines

Additionally, Mr. Motte recognized the St. Gabriel site manager and his team with the Best Safety Performance award. This marks the second consecutive honor for the St. Gabriel team as they continue their emphasis on safety as part of the

company culture. As we move forward with integration of Taminco, we will determine how programs such as the T-Care Awards will be implemented in the combined company.

Engaging families and communities

In 2014, a number of Eastman's site locations opened their doors to welcome families and community members. The Mexico City office hosted a family day, inviting children of Eastman team members to participate in different activities around sustainability, health and safety. They also got to see firsthand where their parents go to work each day. Eastman's Shanghai office also hosted a family day, celebrating the theme "Chemistry is fun!" More than 150 employees and family members spent the day completing science experiments and photography lessons.



In June of last year, Eastman's Suzhou site became the first company in the Suzhou Industrial Park to proactively host an "Open to the Public Day" for the local community, welcoming government officials and 30 area

residents to tour the plant. Open to the Public Day is a key program of the Responsible Care Beijing Manifesto, which Eastman signed with the Association of International Chemical Manufacturers (AICM) in 2013.

2014 T-Care award winners at Taminco



Sustainable Innovation



Responsible Care



People & Society

People and communities, *continued*

Community Advisory Panels

In many communities where Eastman operates, we regularly seek input and openly communicate with citizens and community leaders through our Community Advisory Panels (CAPs). Designed to encourage ongoing dialogue, the CAPs meet several times throughout the year to help local citizens better understand Eastman products, operations and the issues that impact our company. They also provide opportunities for Eastman to understand community interests and concerns, ultimately building trust between our site representatives and our local communities. Eastman currently has CAPs representing 22 percent of Eastman's total manufacturing locations: Jefferson, Pa.; Pace, Fla.; Kingsport, Tenn.; Longview, Texas; Sauget, Ill.; Texas City, Texas; Springfield, Mass.; Martinsville, Va.; Kohtla Järve, Estonia; Middelburg, The Netherlands; and Newport, South Wales, U.K.

"As an elected leader and advocate for my community, I'm excited and encouraged that Eastman has taken on the initiative to be more involved in the community. I'm looking forward to continuing this conversation, supporting a local employer, and finding new ways to improve our community through this partnership."

— Orlando Ramos, Commissioner for the City of Springfield

ACT National Exemplar for Excellence

This year, Eastman is honored to be named the National Exemplar for Excellence in ACT's National College and Career Readiness Campaign. The program honors a distinguished group of students, schools and employers for exemplifying efforts to improve individuals' prospects for success. Eastman is the only employer in the nation to receive this prestigious distinction for 2015.

Eastman was selected based on its support of individual growth and development of employees. Eastman offers dedicated training and development focused on building the skills and knowledge of employees through classroom courses, online courses, just-in-time training, tuition reimbursement, leadership development and other training and development resources. With a focus on individuals, the company places a strong emphasis on coaching and mentoring employees through their careers.



Catching team members green handed

To celebrate Earth Day 2014, Eastman's corporate sustainability team led an initiative to catch Eastman team members in the act of being sustainable. Throughout the day, team liaisons at various site and office locations surprised deserving team members with a "Caught Green Handed" T-shirt. Photos from around the globe filled Eastman's intranet as we united employees worldwide in the celebration. Examples of small sustainable acts included recycling, turning off lights, drinking from reusable water bottles or coffee mugs and taking the stairs rather than the elevator.

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
▶ Corporate Social Responsibility	47
Safety	48
Health and wellness	51
People and communities	53
Global Reporting Initiative (GRI)	60
Goals and progress	83

Global Reporting Initiative (GRI)

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
▶ Global Reporting Initiative (GRI)	60
Global Reporting Initiative index	61
Global Reporting Initiative appendix	73
Goals and progress	83

GRI index

GRI appendix



Global Reporting Initiative content index

This report aligns with the GRI G3.1 Guidelines. Eastman self-declares this report to application level B.

The information included also serves as Eastman's Communication of Progress as a member of United Nations Global Compact (UNGC).

Report line	Content	Where is it?	Reported	UNGC Principle
1.1	CEO message	Page 3 CEO message	Fully	
1.2	Impacts, risks and opportunities	Page 5 Stakeholder engagement Page 22 Goals — Macro trends Eastman 2014 Form 10-K , Part II, Item 7	Fully	
2.1	About Eastman	Page 7 Our business Company profile	Fully	
2.2	Brands, products, services	Page 7 Our business Eastman Brands	Fully	
2.3	Operating structure	Page 8 How we operate	Fully	
2.4	Corporate and regional headquarter locations	Page 7 Kingsport, TN, USA Eastman Worldwide	Fully	
2.5	Countries of operation	Page 7 Our business Eastman Worldwide	Fully	
2.6	Ownership	Eastman is a publicly traded company. Total common stock outstanding as of December 31, 2014, was 148,647,456 shares. Refer to Eastman's 2014 Form 10-K for additional information.	Fully	
2.7	Business segments and markets	Page 7 Our business Markets we serve	Fully	
2.8	Organizational scale	Page 7 Our business Refer to Eastman's 2014 Form 10-K , Part 2, Item 8 for additional information	Fully	
2.9	Significant changes	Eastman's 2014 Form 10-K , Part II, Item 8 Note 2 — Acquisitions and Investments in Joint Ventures Note 16 — Asset Impairments and Restructuring Charges	Fully	

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
▶ Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
2.10	Awards and recognitions	Awards	Fully	
3.1	Report period	Page 2 The information provided is based on 2014 corporate data for the year ending December 31, 2014.	Fully	
3.2	Most recent report	Page 2 About this report	Fully	
3.3	Reporting cycle	Annually	Fully	
3.4	Report questions	Page 4 Godefroy Motte Chief Sustainability Officer Eastman Chemical Company EMEA B.V. Fascinatio Boulevard 602-614 2909 VA Capelle aan den IJssel, The Netherlands gmotte@eastman.com	Fully	
3.5	Process for defining report content	Page 2 About this report	Fully	
3.6	Boundary of the report	Our report covers Eastman's wholly owned operations, excluding those sites acquired in 2014. We are committed to include information on newly acquired sites within three years of acquisition. See Eastman 2014 Form 10-K , Part I, Item 2 for additional information on Eastman's properties. See Part II, Item 8 for more information on the company's joint ventures and newly acquired sites.	Fully	
3.7	Limitations on report scope	Within the context of the boundary of this report as defined in 3.6, there are no specific limitations.	Fully	
3.8	Basis for reporting that can significantly affect variability	The basis for reporting does not significantly affect the comparability from period to period.	Fully	

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
3.9	Data measurement	Page 2 About this report	Fully	
3.10	Restatements	There are no restatements.	Fully	
3.11	Changes from prior reporting	None identified.	Fully	
3.12	GRI Index	Page 61 GRI Index	Fully	
3.13	Assurance	Eastman did not obtain external assurance for the development of this report. However, Eastman has rigorous internal policies and practices that provide assurance about the accuracy of the content of this report. Additionally, Eastman's internal auditors assess the information in conformance with standards set by the Institute of Internal Auditors (U.S.). Internal audit assesses the information contained in the report to ensure appropriate supporting documentation exists. Many of the financial data included are taken from the consolidated financial statements contained in the Eastman 2014 Annual Report. These financial statements are audited by Eastman's independent registered public accounting firm, PricewaterhouseCoopers LLP.	Fully	
4.1	Governance structure	Page 16 Corporate governance and code of business conduct Corporate Governance	Fully	
4.2	Chair of Board of Directors	Chief Executive Officer and director Mark J. Costa serves as Chairman of the Board. Board of Directors	Fully	
4.3	Independent directors, including presiding director	Of the 11 members of the Board of Directors, 10 are independent. Board of Directors	Fully	
4.4	Contacting the Board of Directors	Corporate Governance Guidelines	Fully	
4.5	Compensation and performance alignment	Corporate Governance Guidelines 2015 Annual Meeting and Proxy Statement	Fully	
4.6	Avoiding conflicts of interest	Code of Ethics and Business Conduct for Members of the Board of Directors	Fully	

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
4.7	Determining qualifications and expertise of directors	Corporate Governance Guidelines	Fully	
4.8	Vision and values, code of conduct and principles	Page 16 Corporate governance Values Code of Business Conduct	Fully	6
4.9	Procedures for overseeing sustainability performance	Page 18 Sustainability Council Corporate Governance	Fully	All
4.10	Process for evaluating the Board of Directors' performance	Corporate Governance Guidelines	Fully	
4.11	Precautionary principle	Page 73 Appendix	Fully	7
4.12	External standards	Page 19 Advocacy across the industry Responsible Care® Product Safety Advocacy	Fully	All
4.13	Associations and memberships	Page 19 Advocacy across the industry Advocacy	Fully	All
4.14	Key stakeholders	Page 5 Stakeholder engagement Stakeholder engagement	Fully	
4.15	Stakeholder identification	Page 5 Stakeholder engagement Stakeholder engagement	Fully	
4.16	Stakeholder engagement approach and frequency	Page 2 Determining report content Page 5 Stakeholder engagement We do not report detailed frequency of engagement by type or stakeholder group as it varies across the company and by stakeholder. This report provides an overview of Eastman's approach to stakeholder engagement, including examples of engagement in 2014 as well as stakeholder feedback and input for this year's report.	Fully	
4.17	Learnings from stakeholder engagement	Page 5 Stakeholder engagement	Fully	

Global Reporting Initiative content index, *continued***Sustainability 2015***Gaining momentum*

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Disclosure on Management Approach EC		Where is it?	Reported	UNGC Principle
Aspects	Economic performance	Page 7 Our business	Fully	
	Market presence	Page 7 Our business	Fully	
	Indirect economic impacts	Page 7 Our business	Fully	

Report line	Content	Where is it?	Reported	UNGC Principle
EC1	Economic value generated and distributed	Eastman's 2014 Form 10-K , Part II, Item 8	Fully	
EC2	Financial implications due to climate change	Page 73 Appendix	Fully	7
EC3	Coverage of defined benefit plan obligations	Eastman's 2014 Form 10-K , Part II, Item 8 Note 11 — Retirement Plans Benefits at Eastman	Fully	
EC4	Significant financial assistance from government	None	Fully	
EC5	Range of wage ratios		—	
EC6	Spending on locally based suppliers	Page 74 Appendix	Fully	
EC7	Procedures for local hiring	Page 74 Appendix	Fully	6
EC8	Commercial, in-kind, pro bono engagement	Page 56 People and communities	Fully	
EC9	Indirect economic impacts		—	

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Disclosure on Management Approach EN		Where is it?	Reported	UNGC Principle
Aspects	Materials	Page 74 Appendix	Fully	
	Energy	Page 37 Energy	Fully	
	Water	Page 40 Water	Fully	
	Biodiversity	Page 76 Appendix	Fully	
	Emissions, effluents and waste	Page 39 Environment	Fully	
	Products and services	Page 33 Life cycle assessments	Fully	
	Compliance	Responsible Care® Product Safety Advocacy	Fully	
	Transport	Page 43 Supply chain management	Fully	
	Overall	Page 34 Environment	Fully	7, 8, 9

Report line	Content	Where is it?	Reported	UNGC Principle
EN1	Materials used	Page 74 Appendix	Partially	8
EN2	Recycled input materials	Page 75 Appendix	Partially	8, 9
EN3	Energy use by source	Page 75 Appendix	Fully	8
EN4	Indirect energy use by source	Page 75 Appendix	Fully	8
EN5	Energy conservation and efficiency improvements	Page 37 Energy	Fully	8, 9
EN6	Initiatives related to renewable energy	Page 37 Energy Boiler conversions	Fully	8, 9

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
EN7	Initiatives to reduce indirect energy use	Page 37 Energy/emissions Due to Eastman's extensive use of combined heat and power, indirect energy consumption is a small part of our energy requirements. We continue to look for ways to reduce our indirect energy demand and replace it with highly efficient combined heat and power.	Fully	8, 9
EN8	Total water withdrawal by source	Page 76 Appendix	Fully	8
EN9	Water sources significantly affected	Page 76 Appendix	Fully	8
EN10	Water recycled and reused	Eastman recycles/reuses approximately 720 million cubic meters of water per year.	Partially	
EN11	Land in/adjacent to protected areas	Page 76 Appendix	Partially	8
EN12	Biodiversity impacts	Page 76 Appendix	Fully	8
EN13	Habitats protected or restored	Page 76 Appendix	Fully	8
EN14	Strategies/plans related to biodiversity	Page 78 Appendix	Partially	8
EN15	IUCN red list species in affected areas		—	
EN16	Direct and indirect GHG emissions	Page 39 Air quality Page 78 Appendix	Fully	8
EN17	Scope 3 GHG emissions	Page 78 Appendix	Partially	
EN18	Initiatives to reduce GHG emissions	Page 39 Air quality	Fully	8, 9
EN19	Ozone depleting substances	Page 78 Appendix	Partially	8
EN20	NO _x , SO _x and other air emissions	Page 39 Air quality	Fully	8
EN21	Water discharge	Page 79 Appendix	Partially	8
EN22	Weight of waste	Page 42 Waste management	Partially	8
EN23	Significant spills	Page 79 Appendix	Fully	8

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
EN24	Hazardous waste	2014 hazardous waste indexed to production was 0.0063 kg waste/kg production, a 12 percent increase compared to our baseline of 0.005624 kg waste/kg production.	Fully	8
EN25	Biodiversity value of water bodies and related habitats		—	
EN26	Initiatives to mitigate environmental impacts	Page 34 Environment Product Safety	Fully	7, 8, 9
EN27	Products and packaging materials reclaimed	Page 43 Supply chain management Supply chain	Fully	8, 9
EN28	Significant fines and sanctions	Page 79 Appendix	Fully	
EN29	Transportation impacts	Page 50 Transportation safety Page 43 Supply chain management	Partially	
EN30	Environmental protection expenditures	Environmental expenditures in 2014 including construction, operating, development and mandated remediation was \$288 million (domestic), \$27 million (international).	Fully	

Disclosure on Management Approach LA		Where is it?	Reported	UNGC Principle
Aspects	Employment	Page 55 People and communities	Fully	
	Labor/management relations	Page 57 Engaging employees Corporate governance	Fully	1, 3, 6
	Occupational health and safety	Page 48 Safety Page 51 Health and wellness	Fully	
	Training and education	Page 56 People and communities	Fully	
	Diversity and equal opportunity	Diversity and inclusion	Fully	1, 3, 6
	Equal remuneration for women and men	Diversity and inclusion	Fully	

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
LA1	Workforce by employment type	Page 79 Appendix	Partially	6
LA2	Employee hiring and turnover	Page 79 Appendix	Fully	6
LA3	Benefits to full time employees	Benefits at Eastman	Partially	
LA4	Collective bargaining	Collective bargaining agreements cover 9.6 percent of Eastman's global workforce.	Fully	1, 3
LA5	Minimum notice periods for operational changes	Page 80 Appendix	Fully	3
LA6	Joint management/worker health and safety committees	Page 48 Safety Process safety	Partially	
LA7	Rates of injury and work related fatalities	Page 49 Safety	Partially	
LA8	Global health and wellness programs	Page 51 Health & wellness	Fully	
LA9	Health and safety topics for trade unions		—	
LA10	Employee training	Page 80 Appendix	Partially	
LA11	Programs for skills management and lifelong learning	Page 56 Empowerment Careers at Eastman	Partially	
LA12	Performance and career development reviews	Careers at Eastman	Partially	
LA13	Diversity and inclusion	Page 80 Appendix	Fully	1, 6
LA14	Equal remuneration		—	

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
▶ Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Disclosure on Management Approach HR		Where is it?	Reported	UNGC Principle
Aspects	Investment and procurement practices	Corporate governance and code of business conduct	Fully	1, 2
	Nondiscrimination	Corporate governance and code of business conduct	Fully	6
	Freedom of association and collective bargaining	Corporate governance and code of business conduct	Fully	3
	Child labor	Corporate governance and code of business conduct	Fully	5
	Prevention of forces and compulsory labor	Corporate governance and code of business conduct	Fully	4
	Security practices	Corporate governance and code of business conduct	Fully	1, 2
	Indigenous rights	Corporate governance and code of business conduct	Fully	1, 6
	Assessment	Corporate governance and code of business conduct	Fully	1, 2
	Remediation	Corporate governance and code of business conduct	Fully	1, 2, 6

Report line	Content	Where is it?	Reported	UNGC Principle
HR1	Investments/contracts incorporating human rights screening	Page 80 Appendix	Partially	1, 2, 3, 4, 5, 6
HR2	Screening of suppliers and contractors	Page 16 Corporate governance Doing business with Eastman	Partially	1, 2
HR3	Employee training	Page 16 Corporate governance	Partially	1, 2, 3, 4, 5, 6
HR4	Incidents of discrimination		—	
HR5	Right to exercise freedom of association	Eastman complies with all laws designed to preserve the right to exercise freedom of association and collective bargaining. Eastman has not identified any operation at which those rights are at significant risk.	Fully	1, 2, 3
HR6	Incidents of child labor	Corporate governance and code of business conduct	Fully	1, 2, 5
HR7	Risk of incidents of forced labor	Corporate governance and code of business conduct	Fully	1, 2, 4
HR8	Security training	Security	Partially	1, 2

Global Reporting Initiative content index, *continued***Sustainability 2015***Gaining momentum*

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
HR9	Violations involving right of indigenous people		—	
HR10	Operations subject to human rights assessments		—	
HR11	Grievances and resolution		—	

Disclosure on Management Approach SO		Where is it?	Reported	UNGC Principle
Aspects	Local communities	Page 53 People and communities	Fully	
	Corruption	Corporate governance	Fully	
	Public Policy	Responsible Care® Advocacy	Fully	
	Anticompetitive behavior	Corporate governance	Fully	
	Compliance	Corporate governance	Fully	10

Report line	Content	Where is it?	Reported	UNGC Principle
SO1	Community engagement and development	Page 53 People and communities Community engagement	Fully	
SO2	Risk assessment for corruption	Eastman conducts an annual risk assessment of 100 percent of our businesses, which includes risks relating to corruption.	Fully	10
SO3	Anticorruption training	Corporate governance Code of business conduct	Fully	10
SO4	Anticorruption actions	Where any incident of corruption was identified, appropriate disciplinary action was taken in conformance with applicable laws.	Partially	10
SO5	Public policy position	Page 80 Appendix	Fully	
SO6	Value of contributions to political parties	Page 81 Appendix	Fully	10

Global Reporting Initiative content index, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
▶ Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

Report line	Content	Where is it?	Reported	UNGC Principle
SO7	Legal actions for anticompetitive behavior		—	
SO8	Fines and sanctions for noncompliance	Eastman is unaware of any significant fines in 2014 relating to noncompliance with laws and regulations.	Fully	

Disclosure on Management Approach PR		Where is it?	Reported	UNGC Principle
Aspects	Customer health and safety	Product safety	Fully	
	Product and service labeling	Product safety	Fully	
	Marketing communications	Page 82 Appendix	Fully	
	Customer privacy	Code of business conduct	Fully	
	Compliance	Code of business conduct	Fully	

Report line	Content	Where is it?	Reported	UNGC Principle
PR1	Life cycle assessment of health and safety	Page 33 Leveraging science to drive change — LCA	Fully	
PR2	Noncompliance with regulations and codes during life cycle	Product safety	Partially	
PR3	Product and service information per procedures	Product safety	Fully	8
PR4	Incidents of labeling noncompliance	Page 82 Appendix	Partially	8
PR5	Customer satisfaction	Page 82 Appendix	Partially	
PR6	Marketing and adherence to laws and standards	Page 82 Appendix	Fully	
PR7	Incidents of noncompliance with marketing related regulations	Eastman is unaware of any significant fines in 2014 concerning marketing communications.	Fully	
PR8	Customer privacy	We are not aware of any complaints regarding breaches of customer privacy or loss of customer data in 2014.	Fully	
PR9	Noncompliance with regulations for use of products	Eastman is unaware of any significant fines in 2014 concerning the provision and use of our products and services.	Fully	

Global Reporting Initiative appendix

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

4.11 Precautionary principle

The core elements of the precautionary principle are reflected in our fundamental business processes. Eastman believes we have a responsibility to conduct our business activities in a manner that is protective of health and the environment. Corporate Guiding Documents such as our Code of Business Conduct and our Responsible Care® Pledge reflect our commitment to that belief. Those documents and supporting policies and procedures address our approach to the application of risk identification, assessment and management principles to our activities which is fundamental to application of the precautionary principle.

As a member of the American Chemistry Council, we were one of the early adopters of the Responsible Care® Code of Management Practices and we are signatories to the Responsible Care Global Charter. We continuously assess and evaluate our operations and products and implement plans to reduce risk and impact on human health and the environment. We are committed to continuous improvement of the safety and performance of our operations and products.

EC2 Financial implications due to climate change

Eastman is exposed to regulatory risks. We are a chemical manufacturing company and, as such, are an energy-intensive company with large carbon emissions. Generally, Eastman is no more at risk from climate change regulation than other energy-intensive industries. Regulatory constraints on carbon emissions can impact the development of new greenhouse gas (GHG) emitting processes and facilities for Eastman, as well as our customers and suppliers.

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, our customers and suppliers. Climate change does not represent other risks or opportunities specific to Eastman. The company has diversified product offerings and serves broad markets and regions and tries to mitigate our exposure to swings in energy and raw material prices. These diversified product offerings and diversified customer base mitigate Eastman's potential commercial impact.

Eastman complies with current regulation of GHG emissions in those countries that regulate with minimal financial impact to the company. Proposed legislation and regulations are evaluated and the impact on Eastman is estimated. We engage policymakers directly and through trade associations 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.

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

EC6 Spending on locally based suppliers

Eastman's policy is to purchase 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, timely performance and commitment to sustainability. Procurement strategies are continuously being developed and implemented to provide appropriate assurances of sources for important goods and services necessary to the company's operations. Procurement strategies may include the development of a local supply base to ensure timely and reliable delivery. The following table summarizes the percentage of purchases from local suppliers by major plant sites. For United States locations, local is defined as within the state. For locations outside the United States, local is defined as within the country.

Major site	State	Country	% of purchases that are local
Jefferson	Pennsylvania	United States	28
Jurong Island		Singapore	97
Kingsport	Tennessee	United States	14
Longview	Texas	United States	69
Middelburg		The Netherlands	27
Workington		England	97
Indian Orchard	Massachusetts	United States	2
Anniston	Alabama	United States	15

EC7 Procedures for local hiring

Given the large geographic footprint Eastman has within the U.S. and globally, recruiting and hiring strategies are typically focused on targeting talent at the local, regional, national and international levels. Although a majority of hiring is done at the local level, we as a company do relocate well over 100 new hires each year to an Eastman facility to begin their employment with the organization.

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 and alignment with the organizational vision and culture.

EN1 Materials used

Eastman is an integrated manufacturing company, purchasing basic feedstocks to feed three primary streams: olefins, polyesters and acetyls. Basic raw materials include ethane/propane for the olefin stream, paraxylene for polyesters, and coal as a major building block for acetyls. These building block materials are processed through various downstream processes to yield products that are sold as finished goods.

In 2014, major raw materials purchased, including feedstocks and materials consumed as fuel, were nearly 43.9 million tons. Eastman is beginning to implement and, in the future, will look to use fuel sources with lower emissions. We are currently in the process of converting the steam producing boilers at our Chestertown, Md., facility from combusting No. 6 fuel oil to propane, and at our Kingsport, Tenn., facility, we have begun converting a powerhouse that provides approximately 50 percent of the steam and electricity for site manufacturing from coal to natural gas combustion. We are also converting the coal fired boiler at our Springfield, Mass., facility to natural gas combustion.

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
▶ Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

EN2 Recycled input materials

Eastman manufactures a large number of products, most of which are sold as feedstocks for our downstream customers. With integrated manufacturing streams, internal recycling of materials and developing value-up opportunities for coproduct streams are critical to minimizing waste and maximizing value creation. Opportunities to purchase raw materials with recycle content are limited and currently represent a relatively small percentage of the total purchases. Examples of the use of recycled material include:

- **Recycled acid:** Eastman purchases recycled acid for use as an internal feedstock or for resale as a feedstock to other manufacturers.
- **Recycled Saflex®:** Eastman assets associated with Saflex production recover waste Saflex sheets in the U.S. and European regions through a toll agreement with Soca.
- **Catalyst recycling program:** When possible, Eastman replaces spent catalysts with fresh catalysts, both of which contain varying amounts of precious metals. As the spent catalyst becomes available, the material is sent to catalyst refiners, who extract the precious metals from the spent material for reuse in the production of fresh catalysts. This recycling program helps reduce the amount of precious metals mined to satisfy global demand.
- **Other purchased materials** made with recycled materials include drums (steel, plastic, and fiber), bulk boxes, plastic liners and plastic and steel pails. In addition to purchasing feedstocks with recycled content, our Special Materials Team oversees the sale of Eastman's waste streams to manufacturers who recover and convert these materials into useful products.

EN3 Energy use by source

Eastman used about 80 trillion Btu (84 million gigajoules) in 2014 to produce products. About 85 percent of this direct energy was produced from purchased natural gas and coal, and about 15 percent was recovered fuel from feedstock. Eastman now meets essentially all steam and more than 90 percent of our global electricity needs with cogeneration, which uses up to 40 percent less fuel, produces much fewer emissions and therefore has less impact on air quality. As a result, our direct energy consumption is 93 percent of our total energy consumption.

EN4 Indirect energy use by source

In 2014, Eastman used about 6 trillion Btu (6.3 million gigajoules) of indirect energy, primarily in the form of electricity to produce our products.

Our corporate energy budget for energy improvement projects, including capital and expense, was maintained at \$11.5 million in 2014. Over the last four years, Eastman has dedicated over \$40M to energy efficiency projects with the realization that these projects are low risk and reduce energy costs, all while improving our environmental footprint.

- Since 2005, Eastman has participated in the European Union's Emission Trading System (ETS), buying and selling emissions credits. As a result, Eastman has implemented many successful energy efficiency projects that have helped reduce our energy use and overall emissions.
- In addition to manufacturing initiatives, our employees have spearheaded a number of local energy-saving initiatives as well.
- Eastman has achieved about a 10 percent improvement in energy intensity since the baseline year of 2008. In 2014, Eastman expects that more than \$30M would have been spent on energy if energy intensity had not changed since 2008 at current energy prices and production levels. (Energy intensity = MMBtu/1000 kg production)

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

EN8 Total water withdrawal by source

For Eastman facilities, the majority of water for manufacturing use consists of withdrawals from adjacent surface waters. Purchases of water from utilities, third parties and groundwater withdrawal account for a less significant portion of total use. An estimated 645 million cubic meters of water was withdrawn, purchased or pumped in 2014 and greater than 90 percent of that water is returned to the source. The primary use of the water is for noncontact cooling.

EN9 Water sources significantly affected

Eastman's withdrawals do not significantly affect any water source. Comprehensive river studies conducted by the Academy of Natural Sciences at our largest manufacturing facilities in Kingsport, Tenn., and Longview, Texas, confirm the continued and improving health of surface waters in the vicinity of our two largest operations. In 2014, we made an initial assessment of which sites are in high-risk water-stressed areas or are expected to be in water-stressed areas in the next 10 years. We are now beginning to discuss the assessment results with each site. Over the next several months, the team is focused on defining a corporate level strategy for water management and gaining a deeper understanding of the Eastman sites that are located in high-risk water-stressed areas.

EN11 Land in/adjacent to protected areas

As part of Eastman's risk assessment and evaluation process for new facilities, consideration of potential impacts to the existence of local and regional sensitivities such as wetlands and wildlife habitat is considered.

Examples of Eastman's sponsorships of local ecosystems include:

- Cherating Turtle Sanctuary Kuantan, Malaysia
- Our facility at Newport, South Wales, leases Gwent Wildlife Trust 31 hectares of fields to manage as a Nature Reserve, known as Great Traston Meadows.

- Eastman Foundation is a partner with The Nature Conservancy. The funds that Eastman Foundation has donated help fund The Nature Conservancy's acquisition of a preserve in Shady Valley, Tenn., which supports at least 26 rare plants and animals.

EN12 Biodiversity impacts

Eastman is not aware of any significant impacts on biodiversity in 2014. Since the 1960s, Eastman has partnered with the Academy of Natural Sciences to study the rivers upstream and downstream of our major United States manufacturing sites to ensure that our operations are not negatively impacting the environment. Two of the most extensive of these river studies are focused around the Kingsport, Tenn., and Longview, Texas, sites. The studies conducted in 2010 again confirmed in both cases that our operations do not adversely impact these water bodies. Additional studies are planned for fall of 2015 on the Sabine River, Texas, and 2018 on the Holston River, Tenn.

EN13 Habitats protected or restored

For more than 90 years, Eastman women and men have served our local communities. As part of that service, we enhanced, protected, promoted, and restored wildlife habitats on our plant properties and in our communities. Listed in the following are some of our nature-related activities:

- Eastman's Texas Operations facility continues to maintain Corporate Lands for Learning (CLL) certification through the Wildlife Habitat Council. Texas Operations' longstanding environmental education program provides site-based outdoor learning opportunities to numerous groups throughout Gregg and Harrison counties and beyond.
- The nature center at Texas Operations encompasses around 100 acres and includes a nature trail, several outdoor classrooms and a demonstration forest. There is also an outdoor amphitheater area and an observation beehive.

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

- Our Demonstration Forest is recognized at both the state and national level. Eastman has "Tree Farm" status from the American Tree Farm System and is a Certified Forest Steward by the Texas A&M Forest Service. The demonstration forest is managed under the Stewardship Forest Management Plan developed by Texas A&M Forest Service. Forest Awareness Tours (FATs) are workshops held at our nature center using our outdoor classrooms, amphitheater, trails, demonstration forest, stream, and observation beehive. Visitors can spend anywhere from 2–6 hours rotating through different stations where they learn about a wide variety of environmental education topics from experts in the fields representing the following partner organizations: Texas A&M Forest Service, Natural Resource Conservation Services, Texas Parks and Wildlife Department, East Texas Beekeepers Association, Northeast Texas Field Ornithologists (NETFO), and Eastman employees.
- We work with Texas A&M Forest Service to host the annual Project Learning Tree® (PLT) Walk in the Forest for educators (both in-service and preservice). PLT is an award winning environmental education curriculum for educators of students pre-K through eighth grade.
- Texas Operations continues support of birding efforts at our facility and nature center. Bird counts occur throughout the year across our entire 6,000 acre site, not just at our Nature Center area. For the local birding organization, Northeast Texas Field Ornithologists, there are 2–3 counts during the year. Approximately 10 birders visit the property and count a variety of species (ranging from 16 to 65 different species). Each December, our facility is host to the city Christmas Bird Count where Eastman's property represents about 15 percent of the area covered and over 90 percent of the species tallied in the city count. Over 100 species are usually identified each year.
- We continue to manage and maintain data on the deer population in the habitat area through techniques such as planting food plots and conducting deer surveys every other year. We work with the Texas Parks and Wildlife Department to analyze the data. Our most recent survey was conducted in 2014. Population has dropped over the past two surveys, which is desired as prior surveys showed an overabundance of deer.
- We continue support of the Honeybee Observation Hive, which offers visitors an opportunity to watch bees in their natural habitat. The hive is maintained by the East Texas Beekeepers Association.
- The nesting box management program is currently led by an Eastman employee (and scout leader) and his troop. Most of the boxes were built in 1999 by scouts. The troop cleans and repairs the boxes around the nature center and the plant site twice a year. There are currently around 35 boxes for both wood ducks and blue birds.
- The Eastman Foundation has been a partner to The Nature Conservancy since 1991 and, over the years, has donated more than \$280,000. These funds have helped preserve Shady Valley, a rare high-elevation remnant of the last Ice Age, located in Johnson County in the northeastern corner of Tennessee, just outside Cherokee National Forest. Shady Valley has long been recognized as one of the Southern Appalachians' most ecologically important areas. The valley was once covered with a network of sphagnum/cranberry peat bogs and white pine/hemlock forests, which supported a rich community of plant and animal life. To protect the wetland plants and animals from extinction, The Nature Conservancy purchased its first nature preserve in Shady Valley in 1979. Today the Conservancy owns four preserves and 705 total acres in Shady Valley, including 469 acres of mountain land and approximately 236 acres on the valley floor.
- For more than 45 years, Eastman has demonstrated a continuing concern for the health of aquatic life in the rivers near its manufacturing sites through its sponsorship of environmental studies conducted by The Academy of Natural Sciences. The studies document water quality and quantify the health and diversity of populations of plants, insects, aquatic invertebrates and fish within selected zones of the rivers. Academy researchers compare the results for each zone to those of the other zones to gauge the impact a variety of stressors may have on ecosystem "health" and compare the results of the current studies to previous Academy studies to understand changes over time. Eastman sponsored the Academy's initial studies of the Holston River at its Kingsport site in 1965 and of the Sabine River at its Longview site in 1982. Additional studies were

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

conducted on the Holston River in 1974, 1977, 1980, 1990 and 1997 and on the Sabine River in 1987, 1995, 2000 and 2005. In 2010, studies were conducted on both rivers with combined costs of nearly \$900,000. Additional studies are planned for 2015 on the Sabine River and 2018 on the Holston River.

- Sustrans, a movement to enable people to choose healthier, cleaner and cheaper journeys, was granted permission to build a safe, traffic-free part of National Cycle Route 4 on our Newport, South Wales, facility fields.
- We are a corporate member of Gwent Wildlife Trust, and 31 hectares of fields from our Newport facility are managed as a nature reserve. One of the U.K.'s rarest bumblebee species, the shrill carder-bee, has its main British stronghold in the Gwent Levels, including the reserve located at our Newport facility.
- Our Kuantan, Malaysia, facility supports and participates in Environmental Week held by the Department of Environment to promote public awareness of environmental protection. In the past, the site has coorganized and participated in a river cleanup and tree replanting at Balok River, Kuantan.

EN14 Strategies/plans related to biodiversity

As a responsible local neighbor and a global company committed to sustainability, Eastman is committed to conserve and protect natural resources. We will continue to work through partnerships with groups such as The Nature Conservancy, Gwent Wildlife Trust, Academy of Natural Sciences, Wildlife Habitat Council and the World Business Council for Sustainable Development and the Business for Social Responsibility and other groups that share our drive and commitment to preserve and protect natural resources.

EN16 Direct and indirect GHG emissions

Direct greenhouse gas emissions (GHG) are from sources controlled and operated by Eastman. Indirect GHG emissions result from Eastman's purchase of energy generated by facilities owned by another company. We measure our emissions based on the protocol recommended by the Intergovernmental Panel on Climate Change (IPCC) and the American Chemistry Council Responsible Care® guidelines. We are also measuring GHG emissions in accordance with the EPA Mandatory Reporting Rule (MRR), which is a different methodology from the IPCC/ACC methodology. Our 2014 direct greenhouse gas emissions using the IPCC methodology were approximately 7.58 million metric tons. Not all sites measure GHG, but based on energy usage, this number represents more than 90 percent of our global emissions. Eastman has a sustainability goal to reduce GHG intensity by 20 percent by 2020.

EN17 Scope 3 GHG emissions

The relevant other indirect GHG emissions are those avoided by the use of Eastman products. A 2009 study, commissioned by the International Council of Chemical Associations (ICCA), showed that for every one pound of CO₂ emitted in producing chemicals and plastics, two to three pounds of emissions are reduced by using consumer products made from those chemicals or plastics.

EN19 Ozone depleting substances

Eastman has a written policy that requires all Eastman facilities, subsidiaries and majority-owned joint ventures that operate equipment containing ozone depleting substances to develop and maintain an inventory of all ODS equipment including an identification of the equipment and type and quantity of refrigerant.

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

EN21 Water discharge

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 or it is treated in Eastman-owned pretreatment facilities and is conveyed to third-party providers (utilities, municipalities, etc.) for additional treatment and/or discharge or it is conveyed directly to third-party providers (utilities, municipalities, etc.) for treatment and/or discharge.

EN23 Significant spills

In 2014, we had 44 reportable release events, a decrease of 20 percent compared to our baseline of 61. See www.eastman.com/sustainability for detailed charts.

EN28 Significant fines and sanctions

Eastman uses an internal reporting mechanism to ensure that all fines and penalties associated with noncompliance with environmental laws and regulations are captured in one place. This system applies globally and includes all fines and penalties of any size. For 2014, the company is not aware of any nonmonetary sanctions that should be reported.

The company paid \$55,425 in 2014 for fines and penalties, which does not include amounts paid for supplemental environmental projects. The company spent \$86,818 on supplemental environmental projects in 2014. These expenditures may have included projects for pollution prevention, support of local emergency response providers, education activities and similar projects that could benefit public welfare and the environment.

LA1 Workforce by employment type

Total workforce	Employment type	Employment contract	Region
13,981 employees as of Dec. 31, 2014	Full-time: 97.9%	Permanent contract: 95.2%	NA: 77%
	Part-time: 2.1%	Temporary contract: 4.8%	EMEA: 13%
			AP: 8%
			LAR: 3%

LA2 Employee hiring/turnover

Attrition by gender	Attrition by age	Attrition by region
Male: 7.7%	Less than 30 years: 6.5%	NA: 7.1%
Female: 8.4%	30–50 years: 4.8%	EMEA: 6.7%
	Greater than 50 years: 12.5%	AP: 16.9%
		LAR: 10.2%

Hires by gender	Hires by age	Hires by region
Male: 6.7%	Less than 30 years: 28.7%	NA: 6.2%
Female: 7.3%	30–50 years: 6.3%	EMEA: 5.7%
	Greater than 50 years: 0.9%	AP: 14.4%
		LAR: 9.2%

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

LA5 Minimum notice periods for operational changes

Eastman deploys multiple information technology solutions (e.g., intranet, paging systems, voicemail, emergency alarm systems, etc.) to ensure prompt and effective communication to our employee groups. In the event of operational changes that involve a change in employment status, significant planning is completed to ensure employees are treated with the utmost respect and dignity. Labor and employment laws including but not limited to WARN Act, collective bargaining agreements, etc., are recognized and respected in all locations globally.

LA10 Employee training

Employee category	Average training hours
Professional and management	32
Nonexempt (nonoperations)	12
Nonexempt (operations)	62
Technicians/technologists	25
Average for all categories	44

LA13 Diversity and inclusion

Gender	Age	Ethnicity
Male: 75.5%	Less than 30 years: 11.3%	Minority: 11%
Female: 24.5%	30–50 years: 51.6%	White: 89%
	Greater than 50 years: 37.1%	

HR1 Investments/contracts incorporating human rights screening

Eastman has an established process within our Corporate Development organization that prescreens potential mergers and acquisitions against criteria with respect to all three dimensions of sustainability — economic, environmental and societal. Eastman is committed to conducting business activities in accordance with the highest legal and ethical standards. To that end, Eastman's Code of Business Conduct includes provisions against child labor, forced labor, fraud, and discrimination, among others. These same expectations are assessed as part of Eastman's due diligence process on any potential investment.

SO5 Public policy positions

In light of Eastman's significant domestic presence, U.S. public policy is a factor in the company's continued competitiveness. Eastman's strong team of public affairs professionals and technical experts provides their insights and knowledge to public officials on the impact certain laws and regulations may have on Eastman's future and the company's ability to sustain and create jobs. The following areas were identified as issues of importance to Eastman:

- **Taxes** — The U.S. has the highest corporate tax rate in the world. Eastman supports comprehensive tax reform that lowers this tax rate to a level that helps ensure U.S. competitiveness.
- **Trade** — As one of the country's largest exporters, Eastman supports open access to markets for trade and investment, while ensuring our domestic markets are not subjected to unfair trade practices. In addition, Eastman opposes trade barriers, which include tariff barriers, nontariff barriers, investment restrictions or other methods of protectionism.
- **Environmental regulations** — Eastman applauds regulations that balance environmental protection with domestic economic growth and the preservation of good, domestic manufacturing jobs. In particular, Eastman supports a climate change policy that does not diminish the global competitiveness of U.S. manufacturers.

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
▶ Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

- **Energy policy** — Energy and energy feedstocks are critical to Eastman's operations and that of the entire chemical industry. Energy prices have been extremely volatile. This volatility impacts all aspects of our business, from forecasting, to product pricing, to project financial evaluations. Eastman supports domestic energy policies that foster a diverse and inexpensive supply of energy generated from a broad spectrum of domestic sources, as well as expanded energy research, development and deployment. Such policies should incent energy efficiency including the cogeneration of steam and electricity (also known as Combined Heat and Power, or CHP), which Eastman has practiced for more than 80 years. Eastman has been an ENERGY STAR® Partner since 2008 and has been named ENERGY STAR Partner of the Year four consecutive years, achieving Sustained Excellence in 2014. In addition, we partner with the Department of Energy through the Better Buildings, Better Plants Program and have committed to a 20 percent reduction in energy intensity by 2020.
- **Chemical management/Toxic Substances Control Act (TSCA)** — Eastman supports improvements to regulations governing chemicals and products to promote enhanced protection of human health and the environment. Any changes to TSCA should facilitate innovation and support the U.S. chemical industry's efforts to be a world leader in developing new products that benefit society.

Eastman works with several trade associations engaged in lobbying efforts. Eastman also employs internal lobbyists and contract lobbyists at both the state and federal levels to interact with public officials on these important issues. Those individuals spend most of their time educating members of state and federal legislatures and their staffs on the potential impact that public policy decisions could have on Eastman's businesses. Eastman complies with all requirements for reporting lobbying activity with the federal government and with state governments in states where there are Eastman facilities. In 2013, Eastman reported to the Internal Revenue Service that the company spent \$2,428,952 on state and federal lobbying activities in the United States.

SO6 Value of contributions to political parties

Eligible U.S. employees may contribute voluntarily to EastmanPAC, the Political Action Committee of Eastman Chemical Company. The Advisory Council of EastmanPAC approves an annual budget proposed by the company's director of government relations. The Advisory Council meets semiannually and is made up of employees from U.S. sites, as well as at-large company representatives. EastmanPAC supports candidates who:

- Support business friendly laws and regulations,
- Represent a state/district where an Eastman facility is located,
- Are members of key committees, or
- Hold a leadership position within Congress or a state legislature.

In 2014, EastmanPAC contributed \$160,250.00 to state and federal candidates in the U.S. No political contributions are made to entities outside the U.S. Eastman works with an outside vendor 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 lobbyingdisclosure.house.gov. State disclosure reports are also available by visiting the state campaign finance websites in Alabama, Pennsylvania, Maryland, Massachusetts, Tennessee and Texas. In states where the law allows corporate contributions, Eastman supports state candidates. Corporate contributions to state candidates in Tennessee, Virginia, and South Carolina totaled \$61,000 in 2013.

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 also available online at lobbyingdisclosure.house.gov.

Global Reporting Initiative appendix, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
► Global Reporting Initiative (GRI)	60
Global Reporting Initiative content index	61
Global Reporting Initiative appendix	73
Goals and progress	83

PR4 Incidents of labeling noncompliance

All of our product safety data sheets and labeling comply with regulatory requirements for hazard communication. We are in the process of implementing the Globally Harmonized System for Classification and Labeling (GHS) to define, classify and communicate chemical hazard and safety information. We have transitioned all products required to be transitioned to GHS for countries that have implemented these standards and are transitioning many of our materials that have later required implementation dates. In addition, we continue to prepare annual implementation schedules to meet forthcoming requirements.

PR5 Customer satisfaction

Customer satisfaction is a core principle to Eastman's quality processes. We strive to meet all customer requirements with Eastman's products and services. We get feedback from customers through a variety of sources, including customer service representatives located within the customer's respective region, customer visits and audits, customer complaints, etc. Eastman has a world-class customer complaint handling system that ensures proper investigation of all complaints using skilled investigators. Where required by customers, Eastman processes meet or exceed certification requirements from external registrars, including ISO 9001.

PR6 Marketing and adherence to laws and standards

Marketing materials in all formats originate in the business organizations and are reviewed by attorneys and experts in Global Product Stewardship and Regulatory Affairs within Eastman's Law Department. The team carefully reviews the content of the marketing materials to ensure compliance with applicable advertising laws and regulations as well as Eastman's Code of Conduct. When necessary, reviewers seek input from fellow Eastman experts or third-party consultants.

Goals and progress

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
► Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87

In our previous sustainability reports, Eastman outlined sustainability goals focused on economic, environmental, and societal improvements. Following the acquisition of Solutia in 2012, we refined these [commitments](#) to more accurately reflect our sustainability focus and progress. Goals achieved during our previous reporting period have been removed and an update on the remainder is provided on the following pages.



Goals and progress, *continued*

Sustainable innovation goals

Sustainable growth	Progress	Progress details
Continue to pursue organic and inorganic growth to enhance our portfolio of sustainable alternatives for emerging markets	✓	Based on a 2014 assessment and internal criteria, >70% of the revenues from new product launches are from sustainably advantaged products (equal to the greenest alternative). Sustainable innovation
Ensure two-thirds of revenues from new product launches are advantaged on assessed sustainability criteria by 2015	✓	Based on a 2014 assessment and internal criteria, >70% of the revenues from new product launches are from sustainably advantaged products (equal to the greenest alternative). Sustainable innovation
Develop new business utilizing renewable feedstocks by 2020	●	As part of Eastman's growth strategy, we continue to invest in our cellulose ester product lines internally and acquire renewable feedstock product lines as with our recent Taminco acquisition. Given that a strategic growth focus is to exploit our world-class biobased technology platforms, this goal will be revised in 2015 to reflect the broader commitment to delivering new business solutions from these renewable platforms.
Complete LCAs on all new product family launches through 2015	◐	Completed life cycle assessments (LCAs) for 27 product families that have been commercialized since 2010. There have been 51 product launches since then for a 53% completion rate. We are not on track to meet our goal but are continuing to prioritize products important to our customers for cradle-to-gate LCAs. Sustainable innovation

○ New ◐ Needs Improvement ● On Track ✓ Met

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
▶ Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87

Goals and progress, *continued*

Environmental goals

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
► Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87

Environmental stewardship	Progress	Progress details
<p>Improve energy efficiency of operations by 20% by 2020 against the 2008 baseline</p> <p>New Department of Energy Guidelines have been used to develop a more robust statistical method for calculating the reduction.</p>	●	Achieved ~10% improvement compared to baseline
<p>Reduce greenhouse gas (GHG) emissions per unit of production (GHG intensity) by 20% by 2020* against a 2008 baseline** of 1.06 equivalent lb of CO₂ emissions per lb produced</p> <p><i>*We are moving to a common goal year across as many of our sustainability goals as possible. As such, the goal year has been adjusted from 2018 to 2020.</i></p>	●	<p>Greenhouse gas intensity was 0.99, a decrease of almost 7% compared to our baseline of 1.06.</p> <p>In 2014, we successfully converted one boiler at our Kingsport, Tenn., site from coal to natural gas combustion. We plan to convert a total of five more boilers at two sites over the next three years. The conversion from coal to natural gas will enhance our emission reduction efforts and help us attain this goal.</p>
<p>Reduce nitrogen oxide (NO_x) by 20% and sulfur dioxide (SO₂) by 40% by 2020 against a NO_x baseline of 10,848 tons in 2010 and a SO₂ baseline of 22,828 tons in 2010</p>	◐	<p>2014 NO_x emissions were 11,452 tons, an increase of 5% compared to our baseline of 10,848 tons.</p> <p>2014 SO₂ emissions were 20,270 tons, a decrease of 12.8% compared to our baseline of 22,828 tons.</p> <p>In 2014, we successfully converted one boiler at our Kingsport, Tenn., site from coal to natural gas combustion. We plan to convert a total of five more boilers at two sites over the next three years. The conversion from coal to natural gas will enhance our emission reduction efforts and help us attain this goal.</p>
<p>Reduce Volatile Organic Compounds (VOCs) by 15% from 2010 to 2020 against a baseline** of 7,464 tons in 2010</p>	◐	<p>2014 VOC emissions were 7,598 tons, an increase of 1.8% compared to our baseline of 7,464 tons.</p> <p>In 2014, we successfully converted one boiler at our Kingsport, Tenn., site from coal to natural gas combustion. We plan to convert a total of five more boilers at two sites over the next three years. The conversion from coal to natural gas will enhance our emission reduction efforts and help us attain this goal.</p>

** Baselines have been adjusted this year as a result of including additional heritage Solutia sites with data availability.





○ New ◐ Needs Improvement ● On Track ✓ Met

Goals and progress, *continued*Environmental goals, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
▶ Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87



Environmental stewardship	Progress	Progress details
Reduce total number of reportable releases by 25% from 2010 to 2020 against a baseline of 61 release events in 2010		In 2014, we had 44 reportable release events, a decrease of almost 28% compared to our baseline of 61.
Reduce Toxic Release Inventory (TRI) emissions to the air by 25% from 2010 to 2020 against a baseline** of 6.2 million pounds in 2010		2013 TRI air emissions were 7.2 million pounds for an increase of 16% compared to our baseline of 6.2 million pounds. In 2014, we successfully converted one boiler at our Kingsport, Tenn., site from coal to natural gas combustion. We plan to convert a total of five more boilers at two sites over the next three years. The conversion from coal to natural gas will enhance our emission reduction efforts and help us attain this goal.
Reduce hazardous waste (indexed to production) by 15% from 2010 to 2020 against a baseline of 0.005624 kg waste/kg production in 2010		2014 hazardous waste indexed to production was 0.0063 kg waste/kg production, a 12% increase compared to our baseline of 0.005624 kg waste/kg production.
Develop a water conservation strategy for manufacturing site in water-stressed regions by 2015		In 2014, we made an initial assessment of which sites are in high-risk water-stressed areas or are expected to be in water-stressed areas in the next 10 years. We are now beginning to discuss the assessment results with each site. Over the next several months, the team is focused on defining a corporate level strategy for water management and gaining a deeper understanding of the Eastman sites that are located in high-risk water-stressed areas. Water management

** Baselines have been adjusted this year as a result of including additional heritage Solutia sites with data availability.

 New  Needs Improvement  On Track  Met

Goals and progress, *continued*

Societal goals

Social investment	Progress	Progress details
<p>Maintain our strong commitment to an incident- and injury-free workplace with continued goals and tracking:</p> <ul style="list-style-type: none"> • Corporate Injury and Illness Recordable Rates target <0.35 • Days Away from Work Rates target <0.05 • Process Safety target <5 (incidents defined as per the American Chemistry Council) 		<p>We recognize the need to continue efforts to achieve our safety targets. We continue to focus our commitment on safety through emphasis on basic safety expectations, demonstration of a leadership commitment to safety and working to enhance a strong and active safety culture.</p> <p>2014 Injury and Illness Rate — 0.63</p> <p>2014 DAW Rate — 0.17</p> <p>Process Safety Incidents in 2014 — 11 incidents</p>
<p>Increase utilization of preventive services by employees and spouses in North America 15% by 2017</p>		<p>We have increased utilization of preventive services in North America by 6% against our currently stated goal.</p>

 New
  Needs Improvement
  On Track
  Met

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
▶ Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87

Goals and progress, *continued*Societal goals, *continued*

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
► Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87

Social investment	Progress	Progress details
<p>Engage globally in impactful partnerships that elevate:</p> <ul style="list-style-type: none"> • Education • Environment • Economic development • Empowerment <p><i>Note: Going forward, several of Eastman's previously stated Social investment goals will be streamlined to reflect the focus of Eastman's newly established Corporate Social Responsibility strategy. Along with the new goals aligned with our global CSR strategy, we are moving to a common goal year across as many of our sustainability goals as possible. Since many of our social investment commitments were met in 2015, we are setting our new goals in 2015 with a goal year of 2020.</i></p>	○	<p>In 2014, Eastman established a Corporate Social Responsibility (CSR) team dedicated to embedding Eastman's societal commitments globally. The goal of Eastman's CSR strategy is to effectively use corporate resources and strategically partner with stakeholders and organizations to make a collective impact, focusing on the four core elements of environment, education, economic development and empowerment, underscored by ethics and engagement. Examples of our progress are shared in the People and communities section of this report.</p>
<p>Leverage academic partnerships and continue to invest at least one-third of our company contributions to promote educational excellence</p>	✓	<p>In 2014, the Eastman Foundation contributed more than 50% of its budget to promote educational excellence.</p>
<p>Continually improve diversity in our professional hiring pipeline to enrich our collective point of view, including U.S. percentages (where the majority of our employee base is located) for females (30%) and minorities (15%)</p>	✓	<p>In 2014, we exceeded our goals for female and minority hiring for business and technical (B&T) positions. In 2014, 38% of B&T hires were female and 23% of B&T hires were minorities.</p>

○ New ◐ Needs Improvement ● On Track ✓ Met

Goals and progress, *continued*

Societal goals, *continued*

Societal goals	Progress	Progress details
Offer diverse and challenging volunteer opportunities to employees	✓	<p>Eastman continues to encourage and provide a variety of volunteer opportunities through a number of avenues, including but not limited to organizations such as United Way, Eastman Professional Development Club, Engineers Without Borders, and GEM4STEM.</p> <p>As we move forward, this key initiative will be integrated into the updated Corporate Social Responsibility strategy.</p>
Become known as a company of employees committed to community involvement	✓	<p>Eastman continues to establish community partnerships and promote the company's commitment to community involvement. As the company continues to grow, Eastman's Corporate Social Responsibility team is working with each of our sites globally to develop relationships within the local communities where we operate, including the establishment of Community Advisory Panels.</p> <p>As we move forward, this key initiative will be integrated into the updated Corporate Social Responsibility strategy.</p>
Complete neighborhood pulse surveys at every site with more than 300 employees by 2015 and track perception of Eastman in the communities where we live and work	✓	<p>Following our neighborhood pulse surveys at several site locations, we understand the value of transparency and open dialogue with our communities. Through the establishment of Community Advisory Panels at each of our site locations with more than 300 employees, we engage in ongoing pulse surveys throughout the year through regularly scheduled meetings on ongoing communications with those stakeholders. In 2014, we established a new Community Advisory Panel at our Indian Orchard Operations site in Springfield, Mass. We now engage 11 Community Advisory Panels globally.</p>

○ New ◐ Needs Improvement ● On Track ✓ Met

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
▶ Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87

Goals and progress, *continued*Societal goals, *continued*

Societal goals	Progress	Progress details
Develop philanthropic and contribution strategies which support company strategic objectives; reassess strategies annually to ensure strategic linkage	✓	<p>With the establishment of the Corporate Social Responsibility team and strategy, assessments are currently underway to ensure alignment of philanthropic and contribution strategies with the global Corporate Social Responsibility strategy, focusing on the four core elements of environment, education, economic development and empowerment.</p> <p>As we move forward, this key initiative will be integrated into the updated Corporate Social Responsibility strategy.</p>
Expand contribution and philanthropic strategy across all Eastman sites and develop online, real-time system for tracking	X	<p>With the establishment of the Corporate Social Responsibility team and strategy, assessments are currently underway to ensure alignment of philanthropic and contribution strategies with the global Corporate Social Responsibility strategy, focusing on the four core elements of environment, education, economic development and empowerment.</p> <p>As we move forward, this key initiative will be integrated into the updated Corporate Social Responsibility strategy.</p>

Sustainability 2015

Gaining momentum

About this report	2
Our business	7
Sustainability leadership, participation and advocacy	17
Sustainability goals & scorecard	21
Sustainable innovation	24
Environment	34
Corporate Social Responsibility	47
Global Reporting Initiative (GRI)	60
▶ Goals and progress	83
Sustainable innovation goals	84
Environmental goals	85
Societal goals	87



New



Needs Improvement



On Track



Met



Not Met

EASTMAN

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