



GLOBAL REPORTING INITIATIVE

2021

EASTMAN

ABOUT THIS GLOBAL REPORTING INITIATIVE

Eastman reports annually on the environmental, social and economic performance of our company, with regular updates to external stakeholders in the interim. This report focuses on our progress and challenges in 2020. The quantitative data included covers Jan. 1 to Dec. 31, 2020, unless otherwise noted.

To learn more about Eastman's longtime commitment to sustainability and the evolution of our sustainability journey, we invite you to view past reports available at eastman.com/company/sustainability.

Our sustainability reports cover Eastman's wholly owned operations, updating stakeholders on progress toward our commitments and giving a broad overview of our impacts and activities. We are committed to including information on newly acquired sites within three years of acquisition. This report follows the Global Reporting Initiative's (GRI) standard framework and meets requirements for the United Nations Global Compact Communication on Progress.

Based on the stakeholder mapping assessment we completed in 2018 and updated in 2020, we identified topics of significance and indicators that align to our strategy and are most relevant to our internal and external stakeholders. Our process included an examination of our business risks and opportunities, evaluation of external trends, external expertise and our own understanding of our business. See the "Materiality" section of this report for a full explanation of our findings.

The data used in this report were collected through information management processes, including instrumentation, monitoring, sample collection and analysis, engineering estimates, material balances and other methods. Eastman's internal auditors assess the information in conformance with standards set by the Institute of Internal Auditors and verify that supporting documentation exists. Many of the financial data are taken from our annual SEC filing.

Past reports

2020



2019



2018



2017



2016



2015



2014



Global Reporting Initiative Index

This Global Reporting Initiative (GRI) Index corresponds to sustainability information, our proxy statement and annual report, our website and other disclosures. Sustainability information is prepared in accordance with GRI Standards core guidelines and focuses on performance in calendar year 2020.

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

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
GRI 102 General Disclosures				
102-1	Name of the organization	Eastman at a glance		
102-2	Activities, brands, products, and services	Eastman at a glance , Eastman brands		
102-2	Activities, brands, products, and services	Marketing materials in all formats originate in the business organizations and are reviewed by attorneys and experts within Eastman's law department. The team carefully reviews the content of the marketing materials to ensure compliance with applicable advertising laws, regulations and standards as well as Eastman's Code of Business Conduct. When necessary, reviewers seek input from fellow Eastman experts or third-party consultants.		
102-3	Location of headquarters	Kingsport, Tennessee, USA		
102-4	Location of operations	Locations		

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Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
102-5	Ownership and legal form	2020 10K report		
102-6	Markets served	Eastman at a glance , Markets		
102-7	Scale of the organization	Eastman at a glance , 2020 10K report		
102-8	Information on employees and other workers	Appendix		
102-9	Supply chain	Value chain		
102-10	Significant changes to the organization and its supply chain	2020 10K report	8	6
102-11	Precautionary principle or approach	Sustainability governance		
102-12	External initiatives	Responsible Care , Memberships , Product safety , OCS , UN Global Compact		
102-13	Membership of associations	Memberships		
102-14	Statement from senior decision-maker	CEO message , CSO message		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
102-15	Key impacts, risks, and opportunities	Stakeholder engagement and priority matrix; 2020 10K report		
102-16	Values, principles, standards, and norms of behavior	Values , Code of Business Conduct	16	10
102-17	Mechanisms for advice and concerns about ethics	Code of Business Conduct	16	10
102-18	Governance structure	Corporate Governance		
102-19	Delegating authority	Corporate Governance		
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance		
102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate Governance	16	
102-22	Composition of the highest governance body and its committees	Board of Directors	5, 16	

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
102-23	Chair of the highest governance body	Board of Directors	16	
102-24	Nominating and selecting the highest governance body	Corporate Governance		
102-25	Conflicts of interest	Corporate Governance		
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance		
102-27	Collective knowledge of highest governance body	Corporate Governance		
102-28	Evaluating the highest governance body's performance	Corporate Governance		
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance	16	
102-30	Effectiveness of risk management processes	Sustainability governance		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
102-31	Review of economic, environmental, and social topics	Sustainability governance		
102-32	Highest governance body's role in sustainability reporting	Sustainability governance		
102-33	Communicating critical concerns	Corporate Governance Guidelines		
102-35	Remuneration policies	Corporate Governance Guidelines Proxy Statement		
102-37	Stakeholders' involvement in remuneration	Corporate Governance Guidelines Proxy Statement	16	
102-38	Annual total compensation ratio	This is considered business confidential.		
102-39	Percentage increase in annual total compensation ratio	This is considered business confidential.		
102-40	List of stakeholder groups	Stakeholder engagement		
102-41	Collective bargaining agreements	As of July 1, 2020, collective bargaining agreements covered approximately 5.3% of Eastman's U.S.-based workforce.	8	6

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
102-42	Identifying and selecting stakeholders	Stakeholder engagement		
102-43	Approach to stakeholder engagement	Stakeholder engagement		
102-44	Key topics and concerns raised	Stakeholder engagement and priority matrix		
102-45	Entities included in the consolidated financial statements	Scope of report		
102-46	Defining report content and topic boundaries	Scope of report		
102-47	List of material topics	Stakeholder engagement and priority matrix		
102-48	Restatements of information	Stakeholder engagement and priority matrix		
102-49	Changes in reporting	Stakeholder engagement and priority matrix		
102-50	Reporting period	Scope of report		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
102-51	Date of most recent report	Scope of report		
102-52	Reporting cycle	Annually		
102-53	Contact point for questions regarding the report	Stephen G. Crawford, Senior Vice President, Chief Technology & Sustainability Officer, sustain@eastman.com		
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.		
102-55	GRI content index	GRI Index		
102-56	External assurance	Scope of report		
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary	2020 10K Report, Corporate overview		
103-2	The management approach and its components	2020 10K Report, Corporate overview , Sustainability strategy		
103-3	Evaluation of the management approach	Goals and progress		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	Pages	SDG	UNGC Connection
GRI 201 Economic Performance					
201-1	Direct economic value generated and distributed	2020 10K Report, Part II, Item 8		2, 5, 7, 8, 9	
201-2	Financial implications and other risks and opportunities due to climate change	Appendix	82	13	
201-3	Defined benefit plan obligations and other retirement plans	2020 10K Report, Part II, Item 8, Note 11 Benefits at Eastman			
GRI 202 Market Presence					
202-2	Proportion of senior management hired from the local community	Appendix	83		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
GRI 203 Indirect Economic Impact				
203-1	Infrastructure investments and services supported	Appendix	2, 5, 7, 9	
203-2	Significant indirect economic impacts	Appendix	8, 10, 17	
GRI 204 Procurement Practices				
204-1	Proportion of spending on local suppliers	Eastman's policy is to procure products and services based on total value for the company. Factors that Eastman considers when making purchasing decisions include competitive pricing, quality of work and materials, and timely and trustworthy performance. Procurement strategies are continuously developed and implemented to provide assurance of sources for goods and services necessary to the company's operations. Procurement strategies may include the development of a local supply based on business needs.	12	
GRI 205 Anti-corruption				
205-1	Operations assessed for risks related to corruption	Eastman conducts an annual risk assessment of 100% of our businesses, which includes risks relating to corruption.	10, 16	

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
205-2	Communication and training about anti-corruption policies and procedures	Eastman's Code of Business Conduct defines the company's expectation that team members will conduct business ethically, with integrity, and in compliance with all applicable laws regarding corruption and bribery. The Code of Business Conduct is available to all Eastman employees internally as well as externally to the public through our company website, eastman.com. In addition to the Code, Eastman has formal internal policies and procedures on anti-bribery and anti-corruption and requires 100% of our employees worldwide to complete the online Code of Business Conduct training. Employees with more sensitive roles and potential exposure to corruption and bribery risks are required to take additional training on how to identify and respond to corruption and bribery red flags, avoiding business practices that could give the appearance of corruption or bribery, and facilitation payments.	10, 16	
205-3	Confirmed incidents of corruption and actions taken	If any incident of corruption or misconduct is identified, team members are required to report this conduct. An internal investigation is performed, and appropriate follow-up actions, including disciplinary action, are taken to remediate and prevent the recurrence of a similar incident in the future. Eastman's position on corruption and bribery is reflected not only in its Code of Business Conduct but in specific policies, procedures and training available to all employees on bribery and corruption risks and how to avoid them.	10, 16	

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
GRI 206 Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Any legal actions that are material for anticompetitive behavior, antitrust or monopoly practices would be disclosed in Eastman's filings with the Securities and Exchange Commission, and all such actions would generally be a matter of public record.		
GRI 301 Materials				
301-1	Materials used by weight or volume	Appendix		
301-2	Recycled input materials used	Appendix		
GRI 302 Energy				
302-1	Energy consumption within the organization	CDP Climate Change Response (C8.2) Appendix	7, 8, 12, 13	7, 8
302-2	Energy consumption outside of the organization	In 2020, Eastman used about 30 trillion Btu of indirect energy in the form of purchased steam and electricity to produce products.	7, 8, 12, 13	7, 8

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
302-3	Energy intensity	Energy , Environmental Performance	7, 8, 12, 13	7, 8
302-4	Reduction of energy consumption	Energy , CDP Climate (C2.4a) , CDP Climate Change Response (8.2)	7, 8, 12, 13	8, 9
302-5	Reductions in energy requirements of products and services	Energy		
GRI 303 Water and Effluents				
303-1	Interactions with water as a shared resource	Water		
303-2	Management of water discharge-related impacts	Water , CDP Water Response (W1.2) , CDP Water Response (W1.2b) , CDP Water Response (W1.2i) , CDP Water Response (W-CH3.1)		
303-3	Water withdrawal	Water , CDP Water Response (W1.2b) , CDP Water Response (W1.2h)		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
303-4	Water discharge	Appendix		
303-5	Water consumption	Water, CDP Water Response (W1.2b)		
GRI 304 Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity		
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity	6, 14, 15	8
304-3	Habitats protected or restored	Biodiversity		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity		
GRI 305 Emissions				
305-1	Direct (Scope 1) GHG emissions	Our 2020 direct greenhouse gas emissions using the CDP methodology were approximately 5.1 million metric tons, CDP Climate	3, 12, 13, 14, 15	7, 8
305-2	Energy indirect (Scope 2) GHG emissions	Our 2020 indirect greenhouse gas emissions using the CDP methodology were approximately 1.3 million metric tons, CDP Climate	3, 12, 13, 14, 15	7, 8
305-3	Other indirect (Scope 3) GHG emissions	Emissions, CDP Climate	3, 12, 13, 14, 15	7, 8
305-4	GHG emissions intensity	Emissions, CDP Climate	13, 14, 15	8
305-5	Reduction of GHG emissions	Emissions, CDP Climate	13, 14, 15	8, 9

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
305-6	Emissions of ozone-depleting substances (ODS)	Eastman policies require all Eastman facilities, subsidiaries and majority-owned joint ventures that operate equipment containing ODS to develop and maintain an inventory of all ODS equipment, including an identification of the equipment and type and quantity of refrigerant.	3, 12	7, 8
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	<u>Environmental Performance</u>	3, 12, 13, 15	7, 8
GRI 306 Effluents and Waste				
306-2	Waste by type and disposal method	<u>Waste Management, Environmental Performance</u>	3, 6, 12	8
306-3	Significant spills	<u>Environmental Performance</u>	3, 6, 12, 14	8
306-4	Transport of hazardous waste	<u>Environmental Performance</u>		
GRI 307 Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	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 2020, the company is not aware of any nonmonetary sanctions that should be reported. The company paid \$205,208 in 2020.	8, 16	8

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
GRI 401 Employment				
401-1	New employee hires and employee turnover	Appendix	5, 8	6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits at Eastman	8	
401-3	Parental leave	We do not report in detail on the return to work and retention rate after parental leave by gender.	5, 8	6
GRI 402 Labor/Management Relations				
402-1	Minimum notice periods regarding operational changes	In the event of operational changes that involve a change in staffing levels or otherwise affect employment, the company engages in significant planning to ensure affected employees are treated with the utmost respect and dignity. Labor and employment law requirements, including but not limited to reasonable employee notice of job loss and requirements under collective bargaining agreements, are carefully assessed in every global location.	8	3
GRI 403 Occupational Health and Safety				
403-1	Occupational health and safety management system	Health and Safety		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety		
403-5	Worker training on occupational health and safety	Health and Safety		
403-6	Promotion of worker health	Employee Wellness		
403-9	Work-related injuries	Health and Safety		
GRI 404 Training and Education				
404-1	Average hours of training per year per employee	Appendix	8	6
404-2	Programs for upgrading employee skills and transition assistance programs	Careers at Eastman	8	
404-3	Percentage of employees receiving regular performance and career development reviews	We do not report on the percentage of employees receiving regular performance and career development reviews by gender and by employee category.	5, 8	6

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
GRI 405 Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	<u>Appendix</u>	5, 8	6
405-2	Ratio of basic salary and remuneration of women to men	Eastman establishes and administers compensation based on business needs and external market competitiveness without regard to gender.	8, 10	6
GRI 406 Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	Eastman does not publicly report the total number of such incidents or any of their corrective actions.		
GRI 407 Freedom of Association and Collective Bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Eastman complies with all laws designed to preserve the right to exercise freedom of association and collective bargaining. Eastman has not identified any operations at which those rights are at significant risk.	8	3
GRI 408 Child Labor				
408-1	Operations and suppliers at significant risk for incidents of child labor	<u>Code of Business Conduct</u>	8, 16	5

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	Pages	SDG	UNGC Connection
GRI 409 Forced or Compulsory Labor					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Code of Business Conduct</u>		8	4
GRI 410 Security Practices					
410-1	Security personnel trained in human rights policies or procedures	<u>Security</u>		16	1
GRI 411 Rights of Indigenous People					
411-1	Incidents of violations involving rights of indigenous peoples	As of December 2020, zero operations have been subject to human rights reviews or impact assessments.			1

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
GRI 412 Human Rights Assessment				
412-2	Employee training on human rights policies or procedures	Each year, 100% of regular full-time and part-time, limited-term and Eastman-paid employees worldwide are required to complete online training. This includes a course on the Eastman Code of Business Conduct, which governs our human rights policy, as well as other courses that focus on topics outlined within the Code. Additional and more specific courses may be selected directly by employees or assigned by their managers based on job relevance, knowledge development, leadership development opportunities or other reasons. On average, employees receive approximately five hours of required training through our learning management system on these topics.		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Appendix		
GRI 413 Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	Appendix		1

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	SDG	UNGC Connection
GRI 414 Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	Appendix		2
414-2	Negative social impacts in the supply chain and actions taken	Eastman is not aware of any significant impacts in our supply chain with respect to the environment, labor, human rights or societal issues that occurred in 2020.		2
GRI 415 Public Policy				
415-1	Political contributions	Appendix		10
GRI 416 Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	LCA , Product Safety		

Global Reporting Initiative Index (continued)

Disclosure Number	Description	Cross-Reference or Answer	Pages	SDG	UNGC Connection
GRI 417 Marketing and Labeling					
417-1	Requirements for product and service information and labeling	<u>Product Safety</u>		12	
417-2	Incidents of non-compliance concerning product and service information and labeling	All of our product safety data sheets and labeling comply with regulatory requirements for hazard communication in all countries and regions. In 2016, we implemented the Globally Harmonized System for Classification and Labeling (GHS) process to define, classify and communicate chemical hazard and safety information for all of our products.		16	
417-3	Incidents of non-compliance concerning marketing communications	Eastman is unaware of any significant fines in 2020 concerning marketing communications.			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Eastman is unaware of any complaints regarding breaches of customer privacy or loss of customer data in 2020.			
GRI 419 Socioeconomic Compliance					
419-1	Non-compliance with laws and regulations in the social and economic area	Eastman is unaware of any significant fines in 2020 concerning the provision and use of our products and services.		16	

Global Reporting Initiative Appendix

102-8 Information on employees and other workers

Total workforce	Employment type	Employment contract	Region
14,502 Employees as of Dec. 31, 2020	Full-time: 97.7%	Permanent contract: 95.5%	North America: 71%
			Europe, Middle East and Africa: 16%
	Part-time: 2.3%	Temporary contract: 4.5%	Asia Pacific: 10%
			Latin America: 3%

201-2 Direct economic value generated and distributed

Chemical manufacturing by its very nature is energy intensive and can result in substantial carbon emissions. However, many products of chemistry, including Eastman products, reduce greenhouse gas emissions over time. Risks posed by climate change may manifest themselves in physical risks due to potential impacts of climate change such as the impacts of extreme weather events, which the company estimates could have financial impacts of approximately \$5,000,000 to \$30,000,000. In particular, the company may be exposed to increased capital and operational costs associated with a move from fossil-derived fuels and feedstocks to more renewable sources of energy and materials. Current and emerging carbon pricing regulation has the potential to increase operational costs due to use of fossil feedstocks in power generation.

More stringent emission limits have the potential to increase both capital and operational costs. For example, Eastman's analysis estimates the financial impact of carbon pricing in the United States on the company to be approximately \$8,000,000 to \$45,000,000 if such a concept became law. This analysis of the potential impacts of a regulated price on carbon was based on review of various potential carbon price points against Eastman's emissions in the United States. The analysis also considered varying levels of free allocations in a potential regulated carbon pricing concept. In the U.S., some public pressure to address climate change has increased federal and state-level government and private sector attention to placing a price on carbon emissions. Eastman complies with current regulations of GHG emissions in countries where they are regulated, such as in the European Union (EU), where Eastman's emissions are subject to the EU's emissions trading system (EU ETS). Given the European Commission's plans to further decarbonize as proposed in the EU Green Deal — which includes carbon neutrality by 2050 — Eastman will have fewer free emissions allocations. This will increase ETS compliance costs in years to come. As stated in Eastman's CDP Climate Change report, without free allocations, the estimated financial cost could be approximately €1,000,000 to €9,000,000.

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

Global Reporting Initiative Appendix (continued)

While Eastman's operations can be considered energy intensive, Eastman generates a significant proportion of its energy utilizing combined heat and power. Electricity produced by combined heat and power plants is approximately twice as efficient as purchasing electricity from a utility with conventional power stations. Eastman's use of cogeneration, therefore, helps reduce the carbon emissions that would otherwise be required to operate these facilities. Energy efficiency projects also represent a climate-related opportunity. Specifically, Eastman's capital budget focused on energy efficiency projects continues to be supported by senior management and was \$6,000,000 in 2020. Eastman's business strategy clearly reflects an emphasis on energy reduction. Since 2008, Eastman improved energy intensity by approximately 13%. Eastman works to improve resource efficiency through process optimization, reuse of steam in production processes, and lighting projects in company buildings.

Emission standards or uncertainty about future standards may delay investments by our customers and, as a result, impact our future business opportunities. The direct impact of controlling CO₂ emissions from electric power generation may impact the cost of electric power supplied to Eastman manufacturing facilities, our customers and our suppliers. On the other hand, climate change may represent opportunities for Eastman with regard to the development and use of materials that enable or enhance efforts to mitigate or adapt to the effects of climate change. For example, use of window films to enhance energy efficiency, use of interlayers in window glass to provide strength for storm resistance, and development of coatings for extreme exposures represent potential opportunities.

Eastman has an advantaged platform of solutions to address the challenges of plastic waste in the environment with our Advanced Circular Recycling technologies. Eastman's scale and integration provides an opportunity to accelerate the use of two recycling technologies — carbon renewal technology and polyester renewal technology — and make a meaningful positive impact on the environment. Eastman was in a unique position to utilize existing assets and began operating carbon renewal technology at commercial scale in October 2019. In December 2020, Eastman announced that it will invest approximately \$250 million in a new methanolysis facility, which will support Eastman's commitment to address the global waste crisis and mitigate challenges created by climate change while also creating value for our stakeholders. This will deliver benefits to the local economy, including new jobs.

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

Eastman's reforming technology gives new life to the most complex waste plastic by recycling flexible packaging, plastic films, polyester carpet and other mixed plastics into recycled feedstocks. The resulting certified recycled feedstock is indistinguishable from material from fossil feedstocks and can be used in durables, packaging and textiles. Postindustrial and pre-consumer scrap also feeds into the process. Polyester recycling technology is a positive end-of-life solution for polyester materials that might otherwise be discarded in landfills or incinerated. Through methanolysis, polyester-based products are reduced to their polymer building blocks, called monomers. They are then reintroduced to the value chain as recycled polyester raw materials, delivering a true circular solution. These molecular recycling technologies allow material to be recycled an infinite number of times without losing quality. This means recycled materials will have more possible end uses. These technologies complement basic recycling by providing solutions for materials that cannot be addressed by mechanical recycling.

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

Global Reporting Initiative Appendix (continued)

202-2 Proportion of senior management hired from the local community

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

203-1 Infrastructure investments and services supported

The calendar year 2020 and the global pandemic generated tremendous need, and Eastman responded. The Eastman Foundation committed more than \$1 million to provide immediate support to global response organizations for food, shelter, medical personal protective equipment for frontline workers and economic support in our site communities. As a materials innovator, we continued production of essential materials used every day to make critical items needed for medical, health and hygiene products in short supply. Eastman also donated materials to make face shields and hand sanitizer bottles and converted a pilot plant to produce hand sanitizer for employees, schools and hospitals.

203-2 Significant indirect economic impacts

Eastman's educational and workforce development efforts create significant indirect economic impacts to our site communities. We partner with Patrick Henry Community College to provide workforce training through the Center for Advanced Film Manufacturing in Martinsville, Virginia, to advance skill development in advanced film production.

Eastman continues its nationally recognized partnership with Northeast State Community College through the Regional Center for Advanced Manufacturing (RCAM) in Kingsport, Tennessee, to develop and equip the 21st century manufacturing workforce.

Our commitment to public/private partnerships in the areas of education, environment, economic development and empowerment encourages innovative and productive thinking to create positive change in our site communities and around the world. Job placement rates for RCAM-related programs are consistently near 100%, and RCAM is instrumental in meeting industry demand for customized and highly specialized skills.

In 2020, Eastman's economic impact from employee and contractor compensation was estimated to be a total of \$9–\$10 billion in the states where we have manufacturing sites and sales offices. These figures are indicative of Eastman's reputation of being a responsible economic steward through the creation of jobs and investment in the community.

301-1 Materials used by weight or volume

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 2020, direct raw materials purchased (excluding energy, utilities and material consumed as fuel) were 6.5 million metric tonnes (7.1 million tons).

Eastman is beginning to implement and, in the future, will look to use fuel sources with lower emissions. At our Kingsport, Tennessee, facility in 2018, we completed the conversion of a powerhouse that provides approximately 50% of the steam and electricity for site manufacturing from coal to natural gas combustion.

Global Reporting Initiative Appendix (continued)

301-2 Recycled input materials used

Eastman manufactures a large number of products, most of which are sold as feedstocks for our downstream customers. With integrated manufacturing streams and internal recycling of materials, developing value-up opportunities for coproduct streams is critical to minimizing waste and maximizing value creation. Opportunities to purchase materials with recycled content are limited due to our vertical integration to basic commodity raw materials and currently represent a relatively small percentage of total purchases. However, Eastman is committed to value-added recycling and has many examples of the use of recycled material, including:

- 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 materials with recycled content, our special materials team oversees the sale of Eastman's used materials streams to manufacturers who recover and convert these materials into useful products.
- In 2020, Eastman began to purchase pilot quantities of feedstocks for its Polyester Recycling Technology facility that is under construction

In addition, Eastman's long history of technical expertise in chemical processes and polymer science positions us to provide innovative solutions to some of the world's most complex problems, including the challenges of plastic waste in our environment. Our unique platform of

solutions can significantly reduce plastic waste and support the evolution of the circular economy, delivering value to our stakeholders and the global community. Our 2019 launch of carbon renewal technology utilized existing assets to move rapidly to commercial scale. This technology consumes post-consumer plastics as raw material feedstocks, diverting plastic waste away from landfills and turning it into new, high-quality consumer products. Carbon renewal technology can process plastics with Resin Identification Codes 1, 2, 4, 5, 6 and 7 that mechanical recycling cannot handle. Eastman has already recycled millions of pounds of polyester carpet that would have otherwise gone to landfill.

302-1 Energy consumption within the organization

Eastman used about 103 trillion Btu in 2020 to produce products using both direct and indirect energy. About 82% of direct energy was produced from purchased natural gas and coal, and about 18% was recovered fuel from feedstock. Our direct energy consumption is almost 70% of our total energy consumption. Eastman consumes 16% of our total energy consumed from the grid.

303-4 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; is treated in Eastman-owned pretreatment facilities and conveyed to third-party providers (e.g., utilities, municipalities) for additional treatment and/or discharge; or is conveyed directly to third-party providers (e.g., utilities, municipalities) for treatment and/or discharge. An estimated 900,000 megaliters (ML) of water was discharged in 2020.

Global Reporting Initiative Appendix (continued)

401-1 New employee hires and employee turnover

Eastman's total global voluntary turnover rate was 3.3%. We calculate voluntary turnover separately from retirements, company-initiated turnover and reductions in force. Total turnover rate was 9.2%.

Attrition by gender	Attrition by age	Attrition by region	Hires by gender	Hires by age	Hires by region
Male: 9.3%	Less than 30 yrs: 9.7%	NA: 9.1%	Male: 7.0%	Less than 30 yrs: 24.6%	NA: 6.7%
Female: 9.7%	30–50 yrs: 7.0%	EMEA: 8.0%	Female: 7.7%	30–50 yrs: 6.2%	EMEA: 7.7%
	Greater than 50 yrs: 12.8%	AP: 14.4%		Greater than 50 yrs: 1.5%	AP: 8.7%
		LAR: 6.3%			LAR: 11.3%

404-1 Average hours of training per year per employee

Employee category	Hours
Professional/management	43
Nonexempt (nonoperations)	12
Nonexempt (operations)	48
Technicians/technologists	28
Average	33

405-1 Diversity of governance bodies and employees

Gender	Age	Ethnicity
Male: 76%	Less than 30 yrs: 14.3%	Minority: 12%
Female: 24%	30–50 yrs: 50.8%	White: 88%
	Greater than 50 yrs: 34.9%	

Global Reporting Initiative Appendix (continued)

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

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. 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.

413-1 Operations with local community engagement, impact, assessments, and development programs

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

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

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

To encourage an inclusive culture, Eastman provides opportunities for employees to participate in resource groups for members and allies of the following communities: veterans and active duty military employees, Hispanics and Latinos, Black and African Americans, women, LGBTQ+ and, in 2021, the Asian and Pacific Islander community. Over 1,400 employees participated in these programs in 2020. We have a global compliance line that provides a confidential way for employees and others to ask questions about Eastman policies as well as seek guidance or report concerns that may involve illegal activity or any other violations of the company's Code of Business Conduct.

414-1 New suppliers that were screened using social criteria

Eastman is a member of the Together for Sustainability Initiative (TfS), the chemical initiative for sustainable supply chains. TfS is a member-driven initiative founded in 2011 by six major chemical companies. Since that time, membership has grown to 31 members, including Eastman as the first U.S. chemical industry member. TfS develops and implements a global supplier engagement program to assess, audit and improve sustainability practices within the supply chain of the chemical industry. Under this initiative, Eastman requests that suppliers complete an EcoVadis sustainability assessment, which has four elements: environmental, labor and human rights, ethics and sustainable procurement. The TfS initiative also coordinates third-party audits of the responses to the assessments when needed. By the end of 2020, 63% of our continuing direct raw material supplier base (by spend) had current (i.e., less than 3 years old) EcoVadis assessments.

Global Reporting Initiative Appendix (continued)

415-1 Political contributions

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

Criteria for candidates

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

In 2020, EastmanPAC contributed \$236,500 to state and federal candidates in the U.S. No political contributions are made to entities outside the U.S. Eastman works with outside vendors to file all reports and to make sure all contributions comply with state and federal campaign finance regulations. All of EastmanPAC's Federal Election Commission (FEC) filings are available online at www.fec.gov, and disclosure reports are also available by visiting the state campaign finance websites in Alabama, California, Massachusetts, Tennessee and Texas. In states where the law allows corporate contributions, Eastman supports state candidates. Corporate contributions to state candidates in Tennessee totaled \$18,000 in 2020. The federal government requires all registered lobbyists to report personal campaign contributions semiannually. Each year, Eastman employees who meet the requirements file the necessary reports. These reports are available online at <http://lobbyingdisclosure.house.gov/>. Eastman's political activity policies and guidelines are located on its website: [Eastman Political Activity](#).



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