

Goals and progress

Sustainability 2015

Gaining momentum

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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

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Goals and progress, *continued*

Environmental goals

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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.

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

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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

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 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>

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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>

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Societal goals	Progress	Progress details
Offer diverse and challenging volunteer opportunities to employees	✓	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. As we move forward, this key initiative will be integrated into the updated Corporate Social Responsibility strategy.
Become known as a company of employees committed to community involvement	✓	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. As we move forward, this key initiative will be integrated into the updated Corporate Social Responsibility strategy.
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	✓	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.

○ New ◐ Needs Improvement ● On Track ✓ Met

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>

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