

Welcome to your CDP Forests Questionnaire 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Founded in 1920, Eastman is a global specialty materials company that produces a broad range of products found in items people use every day. With the purpose of enhancing the quality of life in a material way, Eastman works with customers to deliver innovative products and solutions while maintaining a commitment to safety and sustainability. The company's innovation-driven growth model takes advantage of world-class technology platforms, deep customer engagement, and differentiated application development to grow its leading positions in attractive end-markets such as transportation, building and construction, and consumables. As a globally inclusive and diverse company, Eastman employs approximately 14,000 people around the world and serves customers in more than 100 countries. The company had 2022 revenues of approximately \$10.6 billion and is headquartered in Kingsport, Tennessee, USA.

At Eastman, in addition to making a material difference in society through the products we make, we continuously strive to protect the environment in the communities where we operate. 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. Our environmental network of professionals is here to support Eastman's drive for success as an innovative specialty materials company. Through relentless market engagement and differentiated application insight, we leverage our world-class technology platforms and internal experts to solve challenges that are driven by global macro trends. Our principles are supported by maintaining a zero-incident mindset through our values and behaviors which enables Eastman's success by protecting people, planet and profit.



We believe a truly sustainable company is one that creates significantly more value in the world than the resources it uses. Eastman is steering a sustainable portfolio by identifying and assessing global macro trends and disruptions, while engaging in impactful partnerships to help Eastman create a pipeline of sustainable innovation that enhances the quality of life in a material way. Sustainability includes how and where we source raw materials for our products, including sources reliant upon forestry. Eastman is concerned that forestry practices in certain regions may threaten ancient forests and may contribute to deforestation with negative impact on the biodiversity and ecosystem integrity contained within these forests. Eastman takes a holistic and systems-based approach to sustainable forest management. This approach includes our commitment to the protection and conservation of ancient and endangered forests such as intact forest landscape mosaics, naturally rare forest types, forest types that have been made rare due to human activity, and/or other forests that are ecologically critical for the protection of biological diversity.

Innovation is foundational to everything we do. We are a materials company, but more than that, we're a people company. Our people drive innovation and continually solve the world's most critical problems to achieve our vision for A Better Circle.

Our Commitments:

- Mitigating Climate Change
 - Reduce our absolute greenhouse gas Scope 1 and 2 emissions by 32% by 2030 to achieve carbon neutrality by 2050
 - Innovate to provide products that enable energy savings and greenhouse gas reduction down our value chains and at the consumer level
- Mainstreaming Circularity
 - Recycle more than 500 million pounds of plastic waste annually by 2030 via molecular recycling technologies, with a commitment to recycle 250 million pounds annually by 2025
 - Catalyze improvement of the recycling system by continuing to expand capabilities to recycle more complex products and by participating in initiatives and collaborations to drive increased collection
- Caring for Society
 - Achieve gender parity in alignment with our commitment for Paradigm for Parity®
 - Be a leader for racial equity within our industry
 - Drive new product innovations that advance solutions for society's most pressing needs while ensuring product safety and transparency

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

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

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities



Cattle products

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Soy

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Cocoa

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Coffee

Commodity disclosure

This commodity is not produced, sourced or used by our organization

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Financial control



F0.6

(F0.6) Select the countries/areas in which you operate.

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

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

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

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into product manufacturing

Form of commodity

Pulp

Primary packaging

Cellulose-based textile fiber

Source

Multiple contracted producers

Contracted suppliers (processors)

Country/Area of origin

Brazil

Canada

Norway

United States of America

% of procurement spend

1-5%

Comment



Eastman and its subsidiaries are committed to conducting all business activities in accordance with the highest legal and ethical standards. Eastman is committed to complying with all applicable export, import and trade compliance laws and regulations in the jurisdictions in which Eastman does business. In addition, Eastman strives to conduct business only with third parties who share its commitments to comply with legal requirements and high ethical standards. Eastman expects the third parties who produce products for or provide services to Eastman to conduct business responsibly — with integrity, honesty and transparency. Eastman developed “Doing Business with Eastman as a Third-Party Code of Conduct” to ensure that third parties are aware of Eastman’s expectations when working with our employees and for their own business conduct.

Eastman takes a holistic and systems-based approach to sustainable forest management. Our approach includes our commitment to the protection and conservation of ancient and endangered forests such as intact forest landscape mosaics, naturally rare forest types, forest types that have been made rare due to human activity, and/or other forests that are ecologically critical for the protection of biological diversity.

Eastman’s global spend for wood pulp and cellulose-based textile fiber was approximately 1-5% of total direct procurement spend. Eastman sources from Brazil, the United States, Canada, and Norway. Sourcing in Canada and Norway is currently experimental, and these countries are not established and regular sources of wood pulp. However, they are being qualified as future sourcing options. The wood pulp externally procured is used to produce a variety of cellulosic products at our production facilities. Our complete supply chain is covered by Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council (FSC) Chain of Custody (CoC) certifications and all raw materials are procured in line with the PEFC and/or FSC Controlled Wood international requirements. All Eastman suppliers must comply with Eastman’s Code of Conduct, Sustainable Dissolving Wood Pulp Sourcing Policies and environmental and safety management systems according to ISO, their compliance with which is routinely verified by a supplier’s risk assessment and through external and internal audits.

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Palm oil derivatives

Palm kernel oil derivatives

Source

Multiple contracted producers
Trader/broker/commodity market
Contracted suppliers (processors)

Country/Area of origin

Indonesia
Malaysia

% of procurement spend

1-5%

Comment

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F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	11-20%	Eastman has a diverse business with 4 main segments across several industries and applications: Advanced Materials, Fibers, Additives and Functional Products, and Chemical Intermediates. The figures reported here are based on revenue from wood-based products.
Palm oil	1-5%	Eastman has a diverse business with 4 main segments across several industries and applications: Advanced Materials, Fibers, Additives and Functional Products, and Chemical Intermediates. The figures reported here are based on revenue from palm-based products with the majority of its revenue situated in the Additives and Functional products.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Production data available, disclosing
Palm oil	Data available, but not disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.



Forest risk commodity

Timber products

Data type

Production data

Commodity production/ consumption volume

250,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

Specific consumption data is confidential and therefore not disclosed. Eastman's decision not to disclose all data is also based on the fact that all of Eastman's wood pulp suppliers conform to the standards of internationally recognized forestry certifications, including Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certification (PEFC), and is fully traceable through the FSC Chain of Custody (CoC) certification of applicable sites. Eastman also maintains a public Sustainable Dissolving Wood Pulp Sourcing Policy for applicable product lines that specifies our requirements for wood pulp suppliers. The sustainability of our pulp procurement is verified by regular, independent, third-party audits. The production volume disclosed in this response represents the volume of product produced with wood pulp as an input.

Eastman has verified that 100% of its wood pulp suppliers conform to the standards of internationally recognized forestry certifications, including Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC). Both FSC and PEFC include

considerations for deforestation and/or conversion of forests to plantations or non-forest use. Eastman also holds both FSC and PEFC certifications, representing the traceability of our wood-based raw materials, and for which we are audited annually.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

100

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Timber products – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0



% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

0

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

BAHIA

% of total production/consumption volume

35

Please explain

30-40%of total consumption comes from Brazil. This percentage is determined by reviewing commercial procurement contracts. The specific volume sourced may vary based on our commercial agreements and more details are not disclosed due to confidentiality reasons. All of



Eastman's wood pulp suppliers conform to the standards of internationally recognized forestry certifications, including Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC). The procured volumes are controlled accordingly and measured during the procurement and the origin of procured wood and pulp is fully traceable due to FSC Chain of Custody certification.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

65

Please explain

Other countries include USA, Norway, and Canada. 60-70% of total consumption comes from these areas. This percentage is determined by reviewing commercial procurement contracts. The specific volume sourced from each region may vary based on our confidential commercial agreements. Sourcing in Canada and Norway is currently experimental, and these countries are not established and regular sources of wood pulp. However, they are being qualified as future sourcing options. All Eastman's wood pulp suppliers conform to the standards of internationally recognized forestry certifications, including Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC). The procured volumes are controlled accordingly and measured during the procurement and the origin of procured wood and pulp is fully traceable due to FSC Chain of Custody certification.

F1.5d

(F1.5d) Why is your organization not disclosing production and/or consumption data for your disclosed commodity(ies)?



	Primary reason	Please explain
Palm oil	Data considered confidential	Eastman is not disclosing consumption data for palm oil derivatives and considers this data confidential because this information is considered competitively sensitive to our business and would enable competitors to gain undesired insight into our operations. However, Eastman is aiming to make palm oil derivative consumption data public in the future, though this will require internal consideration to determine the most effective way to disclose this information.

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Since a specified cutoff date, please specify year

1994

Known or estimated deforestation/ conversion footprint (hectares)

0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Eastman suppliers do not source wood from plantations that were established on areas converted from natural forest after 1994 and can supply evidence specifying conversion date. Organizations that converted natural forests to plantations after 1994 cannot obtain FSC certification for these plantations, and Eastman sources wood only from suppliers who are FSC and/or PEFC certified. This statement is included in our Supplier agreements and also verified annually by independent audits as part of the FSC and/or PEFC certification process. All Eastman suppliers are FSC and/or PEFC certified.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)

600

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

We engage with our suppliers and their sustainability directors 1-2 times per year to ensure that their deforestation/conversion practices, certifications (RSPO), and adherence to standards (NPDE) are still in place. This oversight enables us to state that 99.3% of the palm oil products that Eastman procures is deforestation-free. We do not have full clarity around the sourcing and deforestation practices of 0.7% of the palm oil derivatives that we source. We are able to calculate that 0.7% of our palm oil derivative sourcing equates to 600 hectares, and therefore our footprint that we cannot guarantee is deforestation-free is 600 hectares.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods



External consultants

Other, please specify

Responsible Care®, Together for Sustainability

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Impact on water security

Tariffs or price increases

Loss of markets

Brand damage related to forests risk commodities

Corruption

Social impacts

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Please explain

Risks are evaluated annually as part of an established enterprise risk management framework. Within our direct operations, Eastman works with external consultants through an annual recertification process to ensure we meet Forest Sustainability Council (FSC) standards and are mitigating any risks that might occur if we failed to comply. Additionally, through the Responsible Care® initiative and the Responsible Care® Global Charter, Eastman has committed to continually improve our health, safety, environmental, and security performance. Eastman follows

this charter because we believe these principles are best-in-class to promote sustainable, safe practices in the chemicals industry. The Responsible Care principles help guide our approach to and management of sustainability issues. To identify and assess forest-related risks in our supply chain, Eastman uses internal, annual Global Sourcing and Procurement Supplier Assessments and the Together for Sustainability initiative. Our framework for Supplier Assessments employs three lenses: technical, commercial, and sustainability. Assessments use a standard scorecard based on commodity risk level. Suppliers not in compliance with Eastman's processes and expectations are expected to implement corrective actions or risk not being considered by Eastman for future business. All suppliers must conform to the FSC or the Programme for the Endorsements of Forest Certification (PEFC) programs. Assessments enable Eastman to track supplier performance in a consistent, comparable way and minimize supply chain risks. Eastman is a member of the Together for Sustainability (TfS) initiative which 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 suppliers to complete an Ecovadis sustainability assessment once every three years. Eastman incorporates the Ecovadis assessment into its Supplier Assessments and reviews to determine risks. Eastman considers climate change one of its most significant issues. Our FSC certification and Supplier Assessments ensure that we are managing our own operations and working with suppliers in such a way as to cause the least environmental impact, by ensuring that our procurement of wood pulp is not linked to deforestation.

Palm oil

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

- Internal company methods
- External consultants
- Other, please specify
 - Together for Sustainability, Ecovadis

Issues considered

- Availability of forest risk commodities
- Quality of forests risk commodities
- Impact of activity on the status of ecosystems and habitats
- Regulation
- Climate change
- Impact on water security
- Tariffs or price increases
- Loss of markets
- Brand damage related to forests risk commodities
- Corruption
- Social impacts

Stakeholders considered

- Customers
- Employees
- Investors
- Local communities
- NGOs
- Regulators
- Suppliers

Please explain



Eastman evaluates risks in its palm oil supply chain annually as part of a company-wide risk assessment system. We have developed a procedure to evaluate supplier risks through an annual internal supplier risk assessment. This assessment looks at Ecovadis scores, supplier commercial performance, and reputation risk based on country of operation, among other things. We request Ecovadis scores as part of our participation in the Together for Sustainability initiative, which develops and implements a global supplier engagement program to assess, audit and improve sustainability practices within the supply chain of the chemical industry. The Ecovadis sustainability assessment has four elements: Environmental, Labor and Human Rights, Ethics, and Sustainable Procurement. Eastman then reviews suppliers' Ecovadis scores as part of the larger supplier assessment to identify any risks. This assessment enables us to evaluate how suppliers are performing, prioritize outreach to suppliers if a potential issue is identified, and determine if an audit is needed. Based on the outcome of our internal risk assessments, we may determine that suppliers should be audited by external consultants, such as Ecovadis. We make use of external consultant audits on an as-needed basis. These audits enable us to get more granular and specific information about supplier performance to inform our sourcing decisions. The most significant issues to our palm oil supply chain are availability of palm oil derivatives, the impact of activity on the status and health of ecosystems, brand damage, and corruption. Continuously evaluating our suppliers helps mitigate these risks. Through our supplier assessments we are able to evaluate supplier commercial performance and the health of our supply of palm oil derivatives. The Ecovadis assessment evaluates companies on matters such as environmental management and corruption, and so we are able to ensure that there is no environmental mismanagement or corruption in our supply chains by asking suppliers to complete this assessment every two years. Taking these steps to assess suppliers ultimately helps protect Eastman from any brand damage due to poor environmental or social practices by suppliers.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping
Timber products	Yes, we have mapped the entire value chain
Palm oil	Yes, we have partially mapped the value chain

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Own operations

Tier 1 suppliers

Tier 2 suppliers

Customers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Eastman engages directly with all suppliers of wood-based raw materials and thus has full visibility of this part of the value chain. Eastman also regularly engages with downstream customers of products involving timber content and maintains a line of sight into this part of the value chain.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Palm oil

Scope of value chain mapping

Own operations

Tier 1 suppliers



% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Eastman maps its palm oil value chain and every other year as part of a broader strategic sourcing process. Eastman does so by collecting information from consultancies, collecting information from its suppliers, and consulting publicly available research. These combined efforts provide a full picture of Eastman’s supplier value chain.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	Eastman confirms that we are not sourcing from main high-risk/critical regions (Sourcing of dissolving wood pulp from controversial sources which includes wood harvested from forests of high conservation value (HCV) and Ancient and Endangered Forests (A&EF) such as the Canadian and Russian Boreal Forests; Coastal Temperate	Eastman performs an assessment on the exposure to a supplier according to the volume of wood pulp sourced and incorporates Sustainability aspects into our Sourcing Strategies and supply decisions. Eastman also maintains proactive engagement with suppliers to enable sustainability improvements. All of Eastman's wood pulp suppliers conform to the	

	<p>Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa), and uses the Canopy ForestMapper as initial guidance on potential overlap with A&EF. Eastman has visibility on wood sourcing strategy and sustainable practices to meet Canopy requirements from our suppliers and ensure that they have sufficient mitigation actions in place to eliminate HCV threats. Additionally, in February of 2019 an Independent study by the Department of Forestry and Environmental Resources from the NC State University, concluded that Eastman’s primary dissolving wood pulp suppliers do not violate Canopy’s Ancient and Endangered Forest guidelines.</p>	<p>standards of internationally recognized forestry certifications, including Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certification (PEFC), and is fully traceable through the FSC Chain of Custody (CoC) certification of applicable sites. Eastman suppliers are committed to comply with the certification guidelines, and Eastman’s policies through our Supplier Agreements at the risk of not being considered for future business in case they are not compliant.</p>	
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F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes



F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

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

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

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Chronic physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased ecosystem vulnerability

Primary potential impact

Supply chain disruption

Company-specific description

Ecosystem vulnerabilities could lead to disruption in availability of supply which in turn could disrupt Eastman sales. The sourcing practices of our wood pulp suppliers may negatively impact ecosystems if not properly managed. Eastman purchases wood pulp for the manufacturing of a variety of cellulosic products. The production and the respective business margins are exposed to risks arising from the availability of the raw material and its price. Eastman looks at the value chain as a total system and is therefore sensitive to physical risks. Eastman actively sources wood pulp from different regions such as Brazil and the United States and could alternatively source from Norway or Canada. 30-40% of Eastman's wood pulp comes from Brazil, and so Eastman could face risks if that supply is threatened. 60-70% of Eastman's wood pulp comes from the United States, Norway, and Canada, with the majority coming from the United States. 11-20% of Eastman's revenue is dependent on timber products, and so a disruption to supply chain due to ecosystem mismanagement and vulnerability could affect Eastman's sales and/or profitability.

Timeframe

>6 years

Magnitude of potential impact

Medium

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

6,000,000

Potential financial impact figure - maximum (currency)

12,000,000

Explanation of financial impact

The estimated financial impact figures provided represent a potential range of increased raw material sourcing costs. If ecosystem vulnerability in any region Eastman sources from leads to supply disruptions, we may face two potential impacts. First, supply disruptions may cause extra tightness in the wood pulp market, leading to price increases based on the limited amount of wood pulp production capacity that is available. The financial impact is calculated from an increased cost for wood pulp based on market conditions. Eastman follows the development in wood pulp prices closely from the public disclosures from listed companies with leading positions in the pulp market. Second, Eastman may face increased costs if it must source from alternative regions or use alternative logistics. The calculation of \$6-12MM is based on the percentage of wood pulp procurement spend that could be affected by additional costs from changing market conditions or additional costs to secure supply from alternative regions/modes.

Primary response to risk

Engagement with suppliers

Description of response

Eastman is currently engaging and assessing its suppliers to understand what risks exist, what they are doing to mitigate those risks and what else can be done to address risks. Our framework for supplier assessments employs three lenses:

- Technical (quality requirements, packaging needs, supply chain capabilities)
- Commercial (product cost, volume targets, financial performance),
- Sustainability (environment, labor & human rights, ethics, sustainable procurement, regulatory, ISO certificates)

All new supplier/product combinations need to be on-boarded using a standardized scorecard based on commodity risk level.

Eastman also promotes conservation and restorations projects in partnership with strategic suppliers through the Eastman Foundation. In 2022 Eastman signed a partnership agreement with the environmental nongovernmental organization SOS Mata Atlântica and Bracell to donate 15,000 seedlings in support of a program designed to help restore the Brazilian Atlantic Forest. This environmental initiative will support Future Forests, a program created to catalyze forest restoration in permanent protection areas, such as riparian forests and legal reserves in the Atlantic Forest biome. The initiative will also contribute to improving the ecosystem service of water regulation for the region.

Timescale of implementation: Eastman is currently engaging and assessing suppliers through supplier assessments and plans to continue doing so into the foreseeable future.

Cost of response

200,000

Explanation of cost of response

Eastman has an estimated annual budget of \$40,000 USD for investment in conservation projects. To manage wood pulp supply risks and to maintain an active supplier engagement program, Eastman maintains 1 equivalent FTE at an estimated salary of \$160,000 USD. $\$40,000 + \$160,000 = \$200,000$.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Disruption to sales

Company-specific description

Eastman relies on a supply of palm oil derivatives from producers that have no-deforestation policies and certifications in place. Currently, Eastman sources palm oil derivatives from Indonesia and Malaysia, and 10% of the palm oil derivatives that Eastman sources are RSPO-certified, and Eastman will increase that percentage in 2023.

Timeframe

>6 years

Magnitude of potential impact

Medium-high

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

15,000,000

Potential financial impact figure - maximum (currency)

20,000,000

Explanation of financial impact

The calculation of \$15-20M is based on a percentage of our revenue that could eventually be affected by a loss of sales revenue if the availability of certified RSPO palm oil derivatives, upon which Eastman depends to produce certain goods, is adversely affected.

Primary response to risk

Engagement with suppliers

Description of response

Eastman relies on suppliers and their commitments to transparency to ensure that we have continuous access to certified products. We engage with suppliers on an ongoing basis on webinars and by facilitating dialogues with sustainability experts in their companies, and plan to continue this engagement in the future. We expect some residual risk to exist given the inherent uncertainty of different aspects of international supply chains but continue to address this risk with engagement and education. Engaging suppliers has been an effective method for ensuring supply chain transparency and identifying potential supplier risks.



Timescale of implementation: Eastman is currently engaging and assessing suppliers through webinars and ongoing dialogue and plans to continue doing so into the foreseeable future.

Cost of response

50,000

Explanation of cost of response

Managing engagement of the suppliers referenced in this response falls under the portfolio of one strategic sourcing manager, and accounts for 25% of this sourcing manager’s time. This manager’s salary is estimated to be \$200,000. $25\% * \$200,000 = \$50,000$.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes, we have identified opportunities but are unable to realize them

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

At Eastman, we recognize the growing need to shift to a more sustainable textiles industry, and the growing customer demand for this shift. Our objective is to democratize sustainability and to make sustainable and circular fashion mainstream.

In response, Eastman has developed the Naia™ and Naia™ Renew product lines. Naia™ cellulosic fibers are made with wood pulp from pine and eucalyptus trees. Eastman has achieved FSC™ and PEFC Chain of Custody certification, ensuring the traceability of the wood-based raw materials used in Naia™ through the supply chain back to the forest.

Naia™ Renew cellulosic fiber adds another pillar of sustainability to an already sustainable fiber platform. With Naia™ Renew, recycled content is diverted from landfill, broken down to its basic building blocks via Eastman’s patented carbon renewal technology—or molecular recycling—and used to produce a circular, fully traceable, and biodegradable fiber with a reduced carbon footprint by ~35%. Naia™ Renew consists of 60% certified sustainable wood pulp and incorporates 40% recycled content, creating a scalable solution to address the significant global issue of waste, pollution, and overconsumption of natural raw materials.

Eastman is certified to the ISCC PLUS standard, a credible, transparent, and well-established standard for recycled content. ISCC PLUS is the largest, most developed, and most rigorous certification system for mass balance allocation in chemical recycling. Eastman’s manufacturing operations for Naia™ Renew are certified by SCS Global Services to comply with the ISCC PLUS standard.

Our vision with Naia™ and Naia™ Renew is to make sustainable textiles accessible to all. To this end, we have set a goal that by 2025, more than 50% of Eastman’s Textiles portfolio is Naia™ Renew, and by 2030, more than 90% of the portfolio is Naia™ Renew. Given the growing demand among customers for certified sustainable materials, Eastman’s initiatives and bold targets related to Naia™ and Naia™ Renew product lines are considered critical to Eastman’s future product strategy. These products are key to positioning Eastman as a go-to source for sustainable textiles.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

High



Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

5,000,000

Explanation of financial impact figure

The financial impact was calculated based on the percentage growth in our textiles business that is projected to result from increased demand for certified materials and our expansion of the Naia™ and Naia™ Renew product lines. This projected growth in the textiles business is estimated to result in revenue growth of \$0-5MM.

Cost to realize opportunity

0

Strategy to realize opportunity

Specific strategy to realize opportunity is considered confidential information, therefore is not disclosed for the reporting year.

F3.2b

(F3.2b) Why does your organization not consider itself to have forests-related opportunities?

Palm oil

Primary reason



Opportunities exist, but we are unable to realize them

Please explain

Eastman is unable to realize forests-related opportunities for palm oil derivative sourcing because sourcing decisions are primarily made by our customers. Eastman is conducting business with highly reputable suppliers who are active in the Roundtable on Sustainable Palm Oil (RSPO). These suppliers are managing and evaluating opportunities and we are relying on their initiatives; however, we do not have direct influence over these opportunities. We are evaluating whether we can work together with customers that are making sourcing decisions in the future to identify opportunities. In 2023 we are moving the majority of our palm oil derivatives, which Eastman sources independently, and thus where Eastman makes the Sourcing decisions (instead of our customers) to RSPO mass balance.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

No

F4.1c

(F4.1c) Why is there no board-level oversight of forests-related issues and what are your plans to change this in the future?

	Primary reason	Board level oversight of forests-related issues will be introduced in the next two years	Please explain
Row 1	Eastman is a large and diverse company using many different raw materials, of which wood pulp is a	Yes	The involvement of Eastman’s Board of Directors in forests-related issues is currently in transition. The current Chair of Environmental Safety and Sustainability is well positioned to lead Board oversight of forests-related issues as a result of ESG Training and Certification that was acquired in 2022. The ESS Committee Chair has a high level of awareness of, an affinity, and relevant



	relatively small, but increasingly important, share.		experience related to sustainability and ESG topics. Additionally, the Chair of Environmental Safety and Sustainability Committee completed the Diligent Climate Leadership Certification in 2022 which is helping bring ESG and climate skills to the boardroom. Therefore, Eastman is confident that the ESS Committee Chair will take action to integrate forests-related issues at the Board level as such issues begin to pose a material impact on the company.
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F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Eastman’s current Chair of Environmental Safety and Sustainability on the Board of Directors has chemical industry and specialty materials strategy, technology, innovation and manufacturing experience. Additionally, the person in this position has a high level of awareness of, an affinity for, and relevant experience related to sustainability and ESG topics. This skillset and experience renders the Chair of Environmental Safety and Sustainability competent in forests-related issues. Additionally, the Chair of Environmental Safety and Sustainability Committee completed the Diligent Climate Leadership Certification in 2022 which is helping bring ESG and climate skills to the boardroom.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
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Other C-Suite Officer, please specify Chief Commercial Officer	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	Annually	Eastman's sourcing strategy is approved at the Eastman C-Suite level for our forests related risk and opportunities.
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F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	No, not currently but we do plan to introduce them in the next two years	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

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

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Selected products only

Commodity coverage

Timber products

Content

Commitment to eliminate conversion of natural ecosystems

Commitment to eliminate deforestation

Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)

Commitment to remediation, restoration and/or compensation of past harms

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

Commitment to take action beyond own supply chain to tackle environmental issues

Commitment to protect rights and livelihoods of local communities

Commitments beyond regulatory compliance

Commitment to transparency

Commitment to stakeholder awareness and engagement

Commitment to align with the SDGs


Description of business dependency on forests

Recognition of potential business impact on forests and other natural ecosystems

Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy

Description of forests-related standards for procurement

Document attachment

 Eastman-Naia-Wood-Pulp-Sourcing-New.pdf

Please explain

Eastman has a robust sourcing policy which meets the needs and expectations of brands that we are engaging with and conforms to Canopy guidelines. Sourcing policies are in place for dissolving wood pulp products. No dissolving wood pulp is excluded from sourcing policies; Eastman has individual sourcing policies for some dissolving wood pulp products that require unique specifications, but all policy content listed in this response can be found in sourcing policies that cover all wood pulp products. These policies do not apply to products outside of our dissolving wood pulp procurement, but as we are disclosing “selected products only,” this is not relevant to this response. Our wood pulp



dissolving policies support our compliance with sustainability certifications and help ensure we are adhering to our sustainability initiatives. Certifications are audited and progress related to sustainability initiatives are reviewed annually; as such, we review and update (if needed) our sourcing policies on an annual basis to align. Eastman has an annual training program for key wood pulp procurement decision makers to ensure that they are aware of and understand our sourcing policies and are prepared to exercise these policies when making business decisions.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Timber products	Yes
Palm oil	No

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify

Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), CanopyStyle

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

- No conversion of natural ecosystems
- Zero net deforestation
- Avoidance of negative impacts on threatened and protected species and habitats
- No trade of CITES listed species
- No conversion of High Conservation Value areas
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2019

Forest risk countries/areas that the cutoff date applies to

Any other countries/areas

Reason for selecting cutoff date

Sector-wide agreement/recommendation

Commitment target date

2021-25

Please explain



In 2019, Eastman engaged with Canopy to further our commitment to Sustainability. We have not identified any deforestation in our direct operations or supply chain but have taken steps to help address relevant considerations. We undergo annual audits which evaluate our own practices, as well as our oversight and the practices of our supply chain. Audits confirm that our suppliers are FSC and/or PEFC-compliant. CanopyStyle audits, as well as other annual audits, evaluate Eastman’s systems to ensure that there is zero net deforestation and FPIC certifications in our supply chain at all locations where we source dissolving wood pulp (USA, Norway, Canada, Brazil). Through these auditing mechanisms, Eastman is able to ensure it is meeting its commitments to the criteria listed in this response. Regarding Conservation; Eastman has taken different actions, to meet our commitments of Zero Net Deforestation:

- Provided a letter to support conservation solutions in key priority Ancient and Endangered Forests in 2021 and 2022.
- Supported the call for protecting 30% of the world’s Ancient and Endangered Forests by 2030, in a letter from MMCF producers to countries that are party to the Convention on Biological Diversity (CBD).
- Has been actively engaging where their supplier’s parent company has the responsibility to address risk and protect key priority areas of forests and peatlands, in Indonesia.
- Has supported conservation initiatives in its sourcing regions in the US and Brazil.

We have signed Supplier Agreements with our Suppliers to record their commitment to align with ours. Eastman developed “Doing Business with Eastman as a Third-Party Code of Conduct” to ensure that third parties are aware of Eastman’s expectations when working with our employees and for their own business conduct.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
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<p>Long-term business objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>5-10</p>	<p>Eastman regularly integrates forests-related issues into its long-term business objectives, at both the corporate and business levels.</p> <p>Eastman sets several corporate sustainability goals for 2030 and beyond, including targets for sustainable product innovation. For example, we have set a target to assess 100% of our innovation portfolio using our Sustainability Assessment Tool, with 80% of the portfolio achieving advantaged or leader rating by 2030.</p> <p>One example of such sustainable product innovation specific to timber is Eastman’s product line of Naia™ cellulosic fibers. With full transparency from tree to fiber, Naia™ is responsibly sourced from sustainably managed pine and eucalyptus forests and plantations to ensure no deforestation of ancient and endangered forests. This effort to create a more sustainable textiles industry was recognized in Canopy’s 2021 and 2022 Hot Button Report, where Eastman ranked among the top 5 producers for our sustainable production of Naia™ cellulosic fiber and was acknowledged for fiber innovation through our recent launch of Naia™ Renew—a circular fiber produced from a portfolio of hard-to-recycle waste materials diverted from landfill.</p> <p>Eastman has set specific sustainability objectives for our Naia™ platform through 2030, with relevant goals including:</p> <ul style="list-style-type: none"> •Commercialize a next-generation Naia™ fiber solution with non-wood-based cellulosic pulp with a goal to progressively increase proportion in our portfolio • Naia™ business, has collaborated with TextileGenesis™ to provide track-and-trace solution for brands, sharing traceability information across the entire supply chain. •Maintain our commitment to zero discharge of hazardous chemicals and use of certified wood pulp in the manufacture of our Naia™ fibers. Because 2030 is a key milestone for sustainable product innovation at Eastman, we have selected a 5-10 year time horizon.
<p>Strategy for long-term objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>5-10</p>	<p>Eastman’s strategy is to transform tomorrow by revolutionizing the materials that shape it today – innovating sustainable solutions to enhance the quality of life in a material way. To this end, Eastman is prioritizing three critical impact areas with our sustainability strategy:</p> <ul style="list-style-type: none"> •Mitigating Climate Change •Mainstreaming Circularity



			<p>•Caring for Society</p> <p>Each of these critical impact areas have multiple strategic objectives associated with them that extend as far into the future as 2050. However, our forests products-related strategy to achieve long-term business objectives currently extends to 2030, and we have therefore indicated 5-10 years as the relevant time horizon.</p> <p>Eastman is working to implement its sustainability strategy at the business level. Eastman believes that industry collaboration is key to building a more sustainable textiles industry, an example of which is the Naia™ cellulosic fiber product line. Through collaboration with products like Naia™, Eastman is committed to working with like-minded brands to deliver solutions that can truly make a difference. As an example, leading global fashion retailer H&M was first to market with its new Conscious Exclusive autumn/winter 2020 collection made with Eastman Naia™ Renew cellulosic fiber. In 2022 we partnered with Patagonia to offer a limited run of shirts for their Workwear line, crafted using Naia™ Renew ES, our enhanced sustainability fiber. Made from 60% recycled waste material and 40% sustainable wood pulp, it's our answer to the overconsumption of raw materials, the growing plastic and textile waste problem and rising greenhouse gases.</p> <p>Eastman is also working with industry partners like Quantis and nonprofits like Canopy and Textile Exchange to share information and collaborate to catalyze systemic change in the awareness and use of sustainable fibers. As an example, Canopy is an organization that works with the forest industry's biggest customers and their suppliers to develop business solutions that protect the world's forests. Eastman completed its second CanopyStyle Audit in 2022 and received a dark green shirt, demonstrating our continued commitment to the protection of ancient and endangered forests, preserving habitat biodiversity, and investment in next-generation fiber solutions.</p>
Financial planning	Yes, forests-related issues are integrated	5-10	Raw material sourcing strategy for wood pulp and palm oil derivatives is a key input into the financial planning process for Eastman, which operates on a 5+ year time horizon; therefore, we have indicated 5-10 years in the long-term time horizon. Wood pulp is one of our key raw materials, and as such, we have a sourcing strategy for wood pulp that includes considerations around both sustainability and financial impacts. All Eastman dissolving wood pulp suppliers must demonstrate: (a) commitment to



			<p>complying with Eastman's Sustainable Dissolving Wood Pulp Sourcing Policy, (b) conformance to the forestry standards of either the Forest Stewardship Council (FSC) or Programme for the Endorsements of Forest Certification (PEFC) and (c) compliance with our Third-Party Code of Conduct. Eastman commits to only sourcing dissolving wood pulp from suppliers who meet these standards. Eastman's dissolving wood pulp suppliers that are not in compliance with this policy are expected to implement corrective actions or face the prospect of not being considered by Eastman for future business. Eastman has a similar sourcing and assessment strategy for suppliers of palm oil derivatives.</p>
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F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

2017



Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of direct suppliers engaged

Traceability point

Third-party certification scheme

Base year

2017

Base year figure

99

Target year

2022

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

100



Target status in reporting year

Achieved

Is this target linked to a commitment?

Other environmental commitments

Please explain

Eastman has set a target for 100% of our wood pulp suppliers to complete Ecovadis assessments once every three years. Ecovadis is a best-in-class survey tool to assess suppliers across a range of ESG topics, including environment, ethics, sustainable procurement, and human rights, and so gives Eastman a holistic and credible view into the programs of its suppliers to evaluate the sustainability of our value chain. We implement this target by working with suppliers to ensure they are completing the assessment once every three years. During 2022, our wood pulp Suppliers renewed their Ecovadis assessment, obtaining Bronze and Silver rankings.

Target reference number

Target 2

Forest risk commodity

Timber products

Year target was set

2020

Target coverage

Company-wide

Target category

Natural ecosystem restoration and protection

Metric

Total number of restoration and/or conservation projects



Traceability point

Third-party certification scheme

Base year

2020

Base year figure

0

Target year

2022

Target year figure

1

Reporting year figure

1

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

Other environmental commitments

Please explain



Eastman has set a target to complete at least one ecosystem restoration project each year. One of our Naia™ Sustainability goals is that we will proactively engage in advocacy and programs to protect forest ecosystems and support thriving communities through membership and contribution to MMCF initiatives, supporting the United Nations Free, Prior and Informed Consent (FPIC) policy. Our policy is to promote sustainable forest management practices and reduce ecological and environmental impacts in the supply chain. One of the ways that we do this is by engaging in ecosystem restoration projects. We will meet this target by continuously evaluating project and program opportunities and engaging in a manner that aligns with our company policies on forest management and deforestation and our parameters for ecosystem projects. We also receive support to pursue this goal from the Eastman Foundation. We consider several parameters when evaluating a conservation programs. We consider if the program will have an impact on our value chain, and if there is an opportunity to collaborate with our partners.

For the project in 2021 we worked with one of our North American suppliers and for 2022 Eastman signed a partnership agreement with the environmental nongovernmental organization SOS Mata Atlântica and Bracell, a soluble cellulose producer, to donate 15,000 seeds in support of a program designed to help restore the Brazilian Atlantic Forest. Another parameter we consider is if the area is marked as ancient or endangered by reputable standards such as the forest mapper from Canopy. In addition, we aim to have a positive impact on biodiversity, water quality and support thriving communities that are local to the areas where we might invest in projects.

Target reference number

Target 3

Forest risk commodity

Timber products

Year target was set

2018

Target coverage

Company-wide

Target category



Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

FSC (any type)

PEFC (any type)

Base year

2018

Base year figure

2

Target year

2022

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Eastman has a target that all Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) certifications held by Eastman and our suppliers are in good standing, and that 100% of dissolving wood pulp is sourced from suppliers holding one or both of these certifications. This target was set because FSC and PEFC certifications are best-in-class, universally accepted certifications, and Eastman wants to ensure its supply chain is in compliance with these standards. Eastman plans to meet this target through its annual supplier assessments, supplier audits, and supplier engagement in the case of non-compliance.

Target reference number

Target 4

Forest risk commodity

Palm oil

Year target was set

2017

Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of direct suppliers engaged

Traceability point



Third-party certification scheme

Base year

2017

Base year figure

174

Target year

2022

Target year figure

800

Reporting year figure

704

% of target achieved relative to base year [auto-calculated]

84.6645367412

Target status in reporting year

Achieved

Is this target linked to a commitment?

Other environmental commitments

Please explain

Eastman has set a target for all palm oil derivative suppliers to complete an Ecovadis survey every 2 years. This is important because Ecovadis rates companies across a range of ESG issues, including Environmental, Labor and Human Rights, and Sustainable Procurement topics.

Asking all suppliers to complete this assessment gives Eastman a view into their holistic performance and programs, as well as assess supplier



alignment with Eastman’s policies and commitments. Asking suppliers to complete the survey once every two years gives Eastman a consistent and ongoing view of supplier performance. We plan to meet this target through regular engagement with suppliers, annual supplier assessments, and supplier audits.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions
Timber products	Yes	Volume from direct suppliers only	Eastman uses the Forest Stewardship Council (FSC) Chain of Custody certification program, Forest Stewardship Council (FSC) Controlled Wood certification program, and Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody certification program, as well as annual certification audits, to enable traceability in its supply chain. While Eastman has never had a situation where it had to trace product back to its origins, Eastman has demonstrated the ability to trace wood pulp back to its origins through our audits. For some audits, we have had the auditor on-site at our suppliers’ facilities performing verification of Eastman’s control systems and visibility with regards to our supply chain. As part of our control systems, Eastman holds quarterly meetings internally to review documents from suppliers to ensure that suppliers are in compliance with all certifications and standards.	Not applicable
Palm oil	No			

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Municipality or equivalent	Brazil	100



		Canada Norway United States of America	
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F6.2b

(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?

Forest risk commodity

Palm oil

Primary reason

Important, but not an immediate business priority

Please explain

Eastman’s suppliers’ have strong traceability systems in place upon which it relies for evidence of the origins of its disclosed commodities. Eastman buys palm oil derivatives from producers who do have monitoring systems in place; 90%of the palm oil derivatives that Eastman procures is traceable to the mill level by its suppliers.

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100
Palm oil	Yes	7

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

65

Form of commodity

Pulp

Volume of production/ consumption certified

0

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Specific consumption volumes are considered confidential information, therefore are not disclosed. About 60-70% of the wood pulp that Eastman procures has Forest Stewardship Council (FSC) certification, and the balance of wood pulp is sourced as Programme for the



Endorsement of Forest Certification (PEFC). Eastman maintains this third-party certification by requiring all suppliers to have FSC and/or PEFC certification and performing annual supplier assessments to ensure suppliers are complying.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

100

Form of commodity

Pulp

Volume of production/ consumption certified

0

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

Specific consumption volumes are considered confidential information, therefore are not disclosed. All suppliers carry Programme for the Endorsement of Forest Certification (PEFC). Eastman maintains this third-party certification by requiring all suppliers to have FSC and/or PEFC certification, and performing annual supplier assessments to ensure suppliers are complying.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

% of total production/consumption volume certified

7

Form of commodity

Palm kernel oil derivatives

Volume of production/ consumption certified

0

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Customers have indicated acceptable suppliers based on their stringent requirements for sourced palm oil, which include RSPO Mass Balance certification. Eastman agrees with its customers' guidance for quality of supply. The 7% of palm oil derivative volume that is certified as deforestation-free in this response refers to Eastman's consumption of palm oil derivatives. Eastman only has control over sourcing decisions for 5-10% of the palm oil derivatives that it purchases; therefore, Eastman is not able to fully control maintenance of third-party certifications systems in its supply chain. However, Eastman does perform annual supplier assessments and requires suppliers to complete Ecovadis



assessments, and is therefore able to maintain visibility into the percentage of its suppliers that are RSPO certified. Eastman also engages suppliers through education and dialogue to encourage suppliers to become or remain RSPO certified.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

Eastman performs annual supplier assessments. Ecovadis assessments, which Eastman requires all suppliers to undergo once every three years, are an input into these supplier assessments. Supplier assessments enable Eastman to confirm that the Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) certifications held by its suppliers are in good standing, and therefore that its suppliers are compliant with no deforestation policies. All wood pulp suppliers are expected to be certified by FSC and/or



PEFC, and all wood pulp suppliers are subject to annual supplier assessments. Eastman itself is audited once per year and must demonstrate as part of this audit that its suppliers are complying with our control systems, which includes demonstrating supplier certifications.

Monitoring and verification approach

First-party verification

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Exclude

% of non-compliant suppliers engaged

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We have not yet encountered any issues requiring the suspension or exclusion of any suppliers but maintain this ability in our supply agreements. Our dissolving wood pulp suppliers who are not in compliance are expected to implement corrective actions or face the prospect of not being considered by Eastman for future business. If a supplier was found to be not in compliance, Eastman would engage that supplier to help them improve their performance; however, if no improvement was made, Eastman might consider not doing business with that supplier in the future. To assess supplier performance and compliance with no deforestation policies, we hold quarterly meetings to review supplier

conformance with requirements, perform annual global sourcing and procurement supplier assessments, and require suppliers to take an Ecovadis assessments every 3 years as part of the Together for Sustainability (TfS) initiative.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

Eastman performs annual supplier assessments to evaluate its palm oil suppliers. Eastman is a member of the Together for Sustainability (TfS) initiative which 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 asks suppliers to complete an Ecovadis assessment, which includes Environmental, Labor and Human Rights, Ethics, and Sustainable Procurement sections. Eastman uses Ecovadis to evaluate the compliance of its suppliers with certification systems. As member of the TfS network, Eastman also has access to the 360° Watch Findings which we actively review. We will get a message if any non-compliance has been found in publications regarding deforestation within our supply chains. Also, 7% of the palm oil derivatives we buy are RSPO certified. RSPO actively audits our suppliers that are RSPO certified on deforestation prevention and monitoring.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage



Suspend & engage

Exclude

% of non-compliant suppliers engaged

91-99%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

To assess supplier performance and compliance with no deforestation practices, we perform annual supplier assessments, and require suppliers to take an Ecovadis assessments every 2 years as part of the Together for Sustainability (TfS) initiative. If a supplier was found to be not in compliance, Eastman would engage that supplier to try to help them improve their performance; however, if no improvement was made, Eastman might consider not doing business with that supplier in the future.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations
Timber products	Yes, from suppliers
Palm oil	Yes, from suppliers

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

Eastman performs annual supplier assessments. Ecovadis assessments, which Eastman requires all suppliers to undergo once every three years, are an input into these supplier assessments. Supplier assessments enable Eastman to confirm that suppliers are in compliance with forest regulations and mandatory standards. All wood pulp suppliers are subject to annual supplier assessments. Eastman itself is audited once per year and must demonstrate as part of this audit that its suppliers are complying with our control systems, which includes demonstrating compliance with forest regulations and mandatory standards.

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

USA Lacey Act
CITES

Comment

Eastman holds both Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody certification, which include considerations for compliance with applicable timber legality legislation such as CITES and the US Lacey Act.

Palm oil

Procedure to ensure legal compliance

Eastman performs annual supplier assessments to evaluate its palm oil derivative suppliers. Eastman is a member of the Together for Sustainability (TfS) initiative which 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 suppliers to complete an Ecovadis sustainability assessment. Eastman uses these assessments to evaluate the compliance of its suppliers with forest regulations and mandatory standards. As member of the TfS network, Eastman also has access to the “360° Watch Findings.” We actively review those findings and will get a message if any non-compliance has been regarding forest regulations and standards within our supply chains.

Country/Area of origin

Indonesia
Malaysia



Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Please explain
Timber products	Not applicable	Smallholders are not applicable to Eastman because Eastman is further down in the supply chain. Eastman purchases wood pulp from suppliers who work with smallholders.
Palm oil	Not applicable	Smallholders are not applicable to Eastman because Eastman is further down in the supply chain. Eastman purchases palm oil derivatives from oleochemical producers who purchase from smallholders.

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers



Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Financial and commercial incentives

Details of engagement

Supplier questionnaires on environmental and social indicators
Supplier audits
Financial incentives for certified products

Description of engagement

Eastman performs annual supplier assessments. Ecovadis assessments, which Eastman requires all suppliers to undergo once every three years, are an input into these supplier assessments. Supplier assessments enable Eastman to confirm that its suppliers are Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) certified and therefore are in compliance with Eastman’s no deforestation policies, as well as Eastman’s other forests-related and sustainability commitments. All wood pulp suppliers are expected to be certified by FSC and/or PEFC, and all wood pulp suppliers are subject to annual supplier assessments. Eastman itself is audited once per year and must demonstrate as part of this audit that its suppliers are complying with our control systems, which includes demonstrating supplier certifications.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Eastman’s purpose is to enhance the quality of life in a material way, something we have been doing over 100 years. To further this goal, Eastman has pursued multiple avenues for sourcing and producing these materials, goods and services in an environmentally safe and sustainable way, like the Ecovadis assessments. Our customers have high expectations of Eastman and we know that we must continuously improve if we want to retain that reputation. Additionally, investors demand strong performance related to environmental and social governance.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Unknown

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Targets 1, 2, 3

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Financial and commercial incentives

Details of engagement

Supplier questionnaires on environmental and social indicators

Supplier audits

Financial incentives for certified products

Description of engagement

Eastman performs annual supplier assessments to evaluate its palm oil derivative suppliers. Eastman is a member of the Together for Sustainability (TfS) initiative which 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 suppliers to complete an Ecovadis sustainability assessment once every 2 years. Eastman uses these assessments to evaluate if its suppliers are complying with Eastman's forests- and sustainability-related commitments. As member of the TfS network, Eastman also has access to the "360° Watch Findings." We



actively review those findings, which can help us assess how and if suppliers are complying with Eastman’s policies and commitments related to forests and sustainability. Additionally, 7 % of the palm oil derivatives we buy are RSPO certified. RSPO actively audits our suppliers that are RSPO certified on deforestation prevention and monitoring. As an example of supplier engagement in the reporting year, Eastman engaged a supplier to improve its Ecovadis score which resulted in the supplier earning a significant amount of additional points, mainly due to their ability to provide much more detailed information in the assessment.

% of suppliers engaged by procurement spend covered by engagement

86

Explain the impact of your engagement on the selected action

The impact of Eastman's engagement with direct suppliers on ending deforestation and/or conversion of other ecosystems is the assessment, identification, and engagement with any suppliers who may not be complying with Eastman's forests-related commitments. By leveraging EcoVadis score assessments as well as flagging any suppliers from the 360 Watch Findings, Eastman is able to ensure that its commitment to ending deforestation and/or conversion of other ecosystems is upheld to the highest possible standard.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Unknown

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 4

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products



Are you working beyond first tier?

Not applicable

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

We consider all dissolving wood pulp suppliers to be first tier and we work with them to manage and mitigate deforestation risks; therefore, there is no need to work beyond our first tier of suppliers.

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Palm oil

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement



Type of engagement

Details of engagement

Description of engagement

Our first tier suppliers are much closer in the supply chain to their suppliers and have greater ability to work with them on deforestation risks. Therefore, Eastman focuses on our first tier suppliers to ensure they have the right policies and processes in place.

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?
Row 1	Yes, we engage in landscape/ jurisdictional approaches

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement



<p>Row 1</p>	<p>Opportunity for increased human well-being in area Opportunity to protect and restore natural ecosystems Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems</p>	<p>One of our Naia™ Sustainability goals is that we will proactively engage in advocacy and programs to protect forest ecosystems and support thriving communities through membership and contribution to MMCF initiatives, supporting the United Nations Free, Prior and Informed Consent (FPIC) policy. Our policy is to promote sustainable forest management practices and reduce ecological and environmental impacts in the supply chain. One of the ways that we do this is by engaging in ecosystem restoration projects. We consider several parameters when evaluating conservation programs. We consider if the program will have an impact on our value chain, and if there is an opportunity to collaborate with our partners. Another parameter we consider is if the area is marked as ancient or endangered by reputable standards such as the forest mapper from Canopy. In addition, we aim to have a positive impact on biodiversity, water quality and support thriving communities that are local to the areas where we might invest in our projects.</p>
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F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID

LJ1

Country/Area

Brazil

Name of landscape or jurisdiction area

BAHIA

Types of partners engaged in the initiative design and implementation

Direct supplier(s)

Other, please specify

Non-governmental organization

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

Natural ecosystems conserved and/or restored

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative

Description of engagement

Eastman has signed a partnership agreement with the environmental nongovernmental organization SOS Mata Atlântica and Bracell, a soluble cellulose producer, to donate 15,000 seedlings in support of a program designed to help restore the Brazilian Atlantic Forest.

This environmental initiative will support Future Forests (Florestas do Futuro in Brazilian Portuguese), a program created to catalyze forest restoration in permanent protection areas, such as riparian forests and legal reserves in the Atlantic Forest biome. The project by Eastman, SOS Mata Atlântica and Bracell focuses on forest restoration in Brazil's Jequitibá region within an environmental protection area on the north coast of Bahia.

An investment by the Eastman Foundation is supporting restoration in the selected area, which is part of Bracell's Forest Partnership Program. The area, in the municipality of Entre Ríos, is home to two springs. The initiative will contribute to improving the ecosystem service of water regulation, adding benefits to the entire region.

Engagement start year

2022

Engagement end year

Please specify

2022

Estimated investment over the project period (currency)



0

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

Planting reports are made after the conclusion of each project phase, along with distribution of periodical reports with planting images during area maintenance and annual reports during the monitoring period.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Timber products	35

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Please explain

Eastman has joined Textile Exchange, the global nonprofit organization committed to reducing the textile industry's impact on the environment. Eastman is also a member of the Sustainable Apparel Coalition, a global, multi-stakeholder non-profit alliance for the fashion industry. Eastman has also partnered with Canopy, a non-profit organization that works with the forest industry's biggest customers and their suppliers to develop business solutions that protect the world's endangered forests, to ensure excellence in our wood pulp sourcing techniques and to demonstrate our ongoing commitment to promoting sustainable forestry practices. As we continue to develop partnerships with brands, we hear time and time again about the increasing need for sustainable materials. Working with Canopy gives our customers the confidence that our sustainable product portfolio is responsibly sourced and produced, ensuring protection of ancient and endangered forests. As producers of biobased products derived from wood pulp, we take our commitment to sustainable forestry management seriously. We are integrating sustainability across Eastman's supply chain, meeting customer and consumer demand while ensuring sustainable sourcing and production. We are also pursuing collaborations with world-class scientific institutions, fashion schools, non-profit organizations, and more to help make a positive impact on the environment.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Please explain

Eastman is a Roundtable on Sustainable Palm Oil (RSPO) member. Through its membership, Eastman supports and encourages its suppliers to become RSPO-certified. In this way, Eastman is working to accelerate the proliferation of RSPO-certification in the palm oil supply chain. Eastman also produces RSPO-certified products. Part of Eastman's environmental strategy is to increase the amount of palm oil derivatives it purchases which are RSPO-certified. Being a member of RSPO helps Eastman implement this strategy. As a member, Eastman is able to better understand its suppliers' challenges, how to help its suppliers achieve RSPO certification, and actively champion RSPO certification in the palm oil supply chain.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Expected benefits of project

Improvement of water availability and quality
Net gain in biodiversity and ecosystem integrity
Reduce/halt biodiversity loss
Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

One of our Naia™ Sustainability goals is that we will proactively engage in advocacy and programs to protect forest ecosystems and support thriving communities through membership and contribution to MMCF initiatives, supporting the United Nations Free, Prior and Informed Consent (FPIC) policy. Our policy is to promote sustainable forest management practices and reduce ecological and environmental impacts in the supply chain. One of the ways that we do this is by engaging in voluntary ecosystem restoration projects. Eastman has signed a partnership agreement with the environmental nongovernmental organization SOS Mata Atlântica and Bracell, a soluble cellulose producer, to donate 15,000 seedlings in support of a program designed to help restore the Brazilian Atlantic Forest.

This environmental initiative will support Future Forests (Florestas do Futuro in Brazilian Portuguese), a program created to catalyze forest restoration in permanent protection areas, such as riparian forests and legal reserves in the Atlantic Forest biome. The project by Eastman, SOS Mata Atlântica and Bracell focuses on forest restoration in Brazil's Entre Rios region within an environmental protection area on the north coast of Bahia state.

An investment by the Eastman Foundation is supporting restoration in the selected area, which is part of Bracell's Forest Partnership Program. The area, in the municipality of Entre Ríos, is home to two springs. The initiative will contribute to improving the ecosystem service of water regulation, adding benefits to the entire region.

Where is the project taking place in relation to your value chain?



Project based in sourcing area(s)

Start year

2022

Target year

2023

Project area to date (Hectares)

0

Project area in the target year (Hectares)

5.4

Country/Area

Brazil

Latitude

-11.94064

Longitude

-38.07118

Monitoring frequency

Annually

Total investment over the project period (currency)

50,000

For which of your expected benefits are you monitoring progress?

- Improvement of water availability and quality
- Net gain in biodiversity and ecosystem integrity
- Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

Please explain

Eastman has signed a partnership agreement with the environmental nongovernmental organization SOS Mata Atlântica and Bracell, a soluble cellulose producer, to donate 15,000 seedlings in support of a program designed to help restore the Brazilian Atlantic Forest.

This environmental initiative will support Future Forests (Florestas do Futuro in Brazilian Portuguese), a program created to catalyze forest restoration in permanent protection areas, such as riparian forests and legal reserves in the Atlantic Forest biome. The project by Eastman, SOS Mata Atlântica and Bracell focuses on forest restoration in Brazil's Entre Rios region within an environmental protection area on the north coast of Bahia state.

An investment by the Eastman Foundation is supporting restoration in the selected area, which is part of Bracell's Forest Partnership Program. The area, in the municipality of Entre Ríos, is home to two springs. The initiative will contribute to improving the ecosystem service of water regulation, adding benefits to the entire region.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F2. Procedures

Data points verified

Identifying and assessing forests-related risks for timber products (2.1, 2.1a)

Verification standard

CanopyStyle Audit

Please explain

Much of the forests information reported in our CDP disclosure was verified as part of a CanopyStyle audit of Eastman Naia™ cellulosic fiber. Canopy is an environmental non-profit organization dedicated to protecting the world's forests, species, and climate. The CanopyStyle Audits of global producers of man-made cellulosic fiber are based on a robust set of criteria created by Canopy with approval of the CanopyStyle Leaders for Forest Conservation. These criteria are designed to establish a credible, third party verification process to be undertaken by producers. Relevant considerations include sourcing transparency, responsible forest management, conservation advocacy, and pollution prevention. Eastman has chosen to verify its process for identifying and assessing forests-related risks with a CanopyStyle audit because of Canopy's credibility and the wide-ranging scope of the topics Canopy assesses during an audit. This verification provides us assurance that we are accurately identifying and assessing risks related to certain forests products. Eastman performs this verification once a year, and it encompasses Eastman's Naia™ cellulosic fiber product line.

This audit was conducted by third-party service provider SCS Global Services in 2021. Eastman's CanopyStyle audit report is publicly available on Canopy's website: <https://naia.eastman.com/sites/naia/files/documents/Naia-2019-CanopyStyle-Audit-Report.pdf>

Disclosure module

F4. Governance

Data points verified

Organizational sustainability policies (4.5, 4.5a, 4.5b)

Public commitments (4.6, 4.6a)

Verification standard

CanopyStyle Audit



Please explain

Much of the forests information reported in our CDP disclosure was verified as part of a CanopyStyle audit of Eastman Naia™ cellulosic fiber. Canopy is an environmental non-profit organization dedicated to protecting the world’s forests, species, and climate. The CanopyStyle Audits of global producers of man-made cellulosic fiber are based on a robust set of criteria created by Canopy with approval of the CanopyStyle Leaders for Forest Conservation. These criteria are designed to establish a credible, third party verification process to be undertaken by producers. Relevant considerations include sourcing transparency, responsible forest management, conservation advocacy, and pollution prevention. Eastman has chosen to verify its sustainability policies and public commitments with a CanopyStyle audit because of Canopy’s credibility and the wide-ranging scope of the topics Canopy assesses during an audit. This verification provides us assurance that we are accurately representing our sustainability policies and public commitments. Eastman performs this verification annually, and it encompasses Eastman’s Naia™ cellulosic fiber product line.

This audit was conducted by third-party service provider SCS Global Services in 2021. Eastman’s CanopyStyle audit report is publicly available on Canopy’s website: <https://naia.eastman.com/sites/naia/files/documents/Naia-2019-CanopyStyle-Audit-Report.pdf>

Disclosure module

F6. Implementation

Data points verified

- Traceability systems (6.2)
- Control system for timber products (6.4)
- Legal compliance for timber products (6.6)
- Working with suppliers of timber products (6.8)

Verification standard

CanopyStyle Audit

Please explain



Much of the forests information reported in our CDP disclosure was verified as part of a CanopyStyle audit of Eastman Naia™ cellulosic fiber. Canopy is an environmental non-profit organization dedicated to protecting the world's forests, species, and climate. The CanopyStyle Audits of global producers of man-made cellulosic fiber are based on a robust set of criteria created by Canopy with approval of the CanopyStyle Leaders for Forest Conservation. These criteria are designed to establish a credible, third party verification process to be undertaken by producers. Relevant considerations include sourcing transparency, responsible forest management, conservation advocacy, and pollution prevention. Eastman has chosen to verify its traceability systems, control systems, legal compliance, and supplier engagement with a CanopyStyle audit because of Canopy's credibility and the wide-ranging scope of the topics Canopy assesses during an audit. This verification provides us assurance that we are accurately representing and responsibly overseeing these different aspects of forests management. Eastman performs this verification annually, and it encompasses Eastman's Naia™ cellulosic fiber product line.

This audit was conducted by third-party service provider SCS Global Services in 2021. Eastman's CanopyStyle audit report is publicly available on Canopy's website <https://naia.eastman.com/sites/naia/files/documents/Canopy-Style-Audit-Report.pdf>

Disclosure module

F6. Implementation

Data points verified

Certification schemes (6.3)

Verification standard

RSPO Supply Chain Certification Standard

Please explain

Eastman verifies the RSPO certification of a portion of the Dimethyldodecylamine (DIMLA) that it produces. DIMLA is made using fatty alcohol, which is a palm kernel oil derivative. This audit is performed by Tuv Nord. Eastman has chosen to verify that portions of its DIMLA are RSPO-certified in order to adhere to best practices related to palm oil derivative certifications. This verification is performed annually, and it encompasses the DIMLA that Eastman produces in its Pace, FL facility in the United States and its Ghent facility in East Flanders, Belgium.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Complexity of certification requirements

Comment

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited value chain engagement

Comment

For most of the palm oil derivatives Eastman buys, the customer determines whom Eastman buys from (the customer sources and contracts the raw material for their end products and Eastman buys it based on their direction). Therefore, Eastman has limited control over whom it purchases from.

F8.2

(F8.2) Describe the main measures that would improve your organization’s ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Development of certification and sustainability standards across entire landscapes/jurisdictions

Comment

Forest risk commodity

Palm oil

Coverage

Supply chain



Main measure

Greater customer awareness

Comment

Customer awareness will create demand for certified materials. This will support Eastman's no-deforestation efforts, as customers will be driven to request a higher percentage of RSPO-certified material in their contracts with suppliers.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater transparency

Comment

Better quality and more extensive data regarding our suppliers' value chains will help us manage and mitigate deforestation risks.

F17 Signoff

F-FI

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



F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Executive Vice President, Technology & Chief Manufacturing & Sustainability Officer	Chief Sustainability Officer (CSO)