EASTMAN

The results of insight™

Leadership. Innovation. Impact.

Sustainability Report 2016

Covering the period January–December 2015

EASTMAN
The results of insight™

Sustainability Report 2016

Leadership. Innovation. Impact.

"By its very nature, creating value through a sustainability lens is a process of continual improvement and learning. There is no end point — it's about continuing to strive to create and deliver value as we go."

— David Golden, Chief Sustainability Officer

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Creating value is sustainability.

David Golden

Chief Sustainability Officer

At Eastman, sustainability is about creating value. We believe a truly sustainable company is one that creates significantly more value in the world than the resources it uses. As we look to the next horizon on our sustainability journey, we're focused on creating value through three key areas: continuing to manage our resources well, collaborating to further drive innovation and developing the right partnerships.

Resource management

For nearly a century, the Eastman team has developed and maintained a culture of responsible resource stewardship. Our environmental commitments are consistent with the company's dedication to not only maintain an excellent compliance record but to identify, develop, and invest in new technologies and practices that take us beyond basic environmental standards. We continually look for opportunities to minimize our environmental footprint by conserving natural resources, inventing more efficient production methods and developing chemistries that use renewable raw materials.

Collaboration-driven innovation

Truly innovative companies understand the needs, drivers and behaviors across the value chain down to the end consumer — even when consumers themselves do not yet realize their unmet or future needs. Doing this requires strategic thought and collaboration. We monitor ever-evolving macro trends and their associated demand effects while also using our insights to deliver solutions to our customers, downstream retailers and consumers. Sustainability is a lens for innovation.

Impactful partnerships

We look to maximize collective impact by collaborating with and engaging partners, both public and private, with a strategic focus to generate positive change in the communities where we operate and beyond. I often say, "Small hinges swing big doors." A small act can make a huge difference. In this report, you will see examples of our work with world-class partners that will yield meaningful results.

I'm honored to serve as the steward of sustainability at Eastman, and I invite you to join us on this journey.

David A. Golden
Senior Vice President, Chief Legal & Sustainability Officer, and Corporate Secretary

Awards and highlights

ENERGY STAR AWARD 2016
PARTNER OF THE YEAR
Sustained Excellence

TRANSPORTATION SAFETY EXCELLENCE RECOGNITION
by three major railroad companies
BNSF RAILWAY · CN · NS NORFOLK SOUTHERN

glassdoor
EMPLOYEES' CHOICE
BEST PLACES TO WORK
2016

2016 WORLD'S MOST ETHICAL COMPANIES®
WWW.ETHISPHERE.COM

American Chemistry Council
Energy efficiency award recognition **23** consecutive years
6 regional safety awards in 2015, with four sites receiving ACC Certificates of Honor
IN FOR SAFETY

2016 Texas Chemical Council
DISTINGUISHED SAFETY AWARD
and
SUSTAINED EXCELLENCE IN CARING FOR TEXAS

American Chemical Society
HEROES OF CHEMISTRY AWARD

Innovation: Eastman TRITAN

2015 READERS' CHOICE
A TOP 50 EMPLOYER
WORKFORCE DIVERSITY MAGAZINE

2015
AIChE
The Global Home of Chemical Engineers
Recognition for excellence in process safety

2015 EXCELLENCE AWARDS
RESPONSIBLE CARE® OUR COMMITMENT TO SUSTAINABILITY
SCIC SINGAPORE CHEMICAL INDUSTRY COUNCIL

Southern Virginia
STEM-H
Education and Industry Achievement Award

EASTMAN CHINA
RESPONSIBLE CARE®
MERIT AWARD 2015
second year

PACESETTER
National Center for Women & Information Technology

David Golden
named Chief Sustainability Officer
EASTMAN

A Message from the CEO

Mark Costa

Chairman and Chief Executive Officer

Eastman has a long-standing history of commitment to safety, environmental stewardship and corporate responsibility. For decades, we've operated as a Responsible Care® company and remain committed to integrating sustainability into our strategy, products, operations and innovations to drive business growth. We are focused on providing our customers around the world with products that improve quality of life and making an explicit and positive contribution to the challenges the world faces. I'm proud of the progress that we continue to make, and I'm pleased to share that progress with you, our stakeholders.

Sustainability is foundational to our growth strategy and helps create value as our company's portfolio and priorities continue to evolve. Looking at 2016 and beyond, innovating sustainable solutions and product applications to meet the needs of a changing world is increasingly important. We're focusing on innovation like never before, especially in areas where macro trends such as natural resource efficiency and health and wellness align with our world-class technology platforms.

At Eastman, we understand that we can't change the world alone. We look for opportunities to create a significant collective impact by collaborating and engaging with organizations, suppliers, customers, and community partners whose values and strategic focus complement our desire to bring positive change to the world. Throughout this report, you will see several examples of the collaborative relationships that make the work we do as a materials company come to life. We're excited to be part of the solution and are proving that every day through these unique partnerships.

With the publication of this report, we are reaffirming our company's commitment to the 10 principles of the United Nations Global Compact (UNGC) with respect to the areas of human rights, labor, environment and anticorruption. We are also beginning to map our efforts to the newly established Sustainable Development Goals (SDGs). We will continue to integrate the SDGs framework and language into our reporting efforts as we understand more about the goals as they relate to our business objectives and sustainability strategy.

In closing, I want to acknowledge the women and men that make our company succeed every day. They are the reason we have made such great progress on our journey, and they continue to be the reason we can invest in innovation and sustainability as we look toward the future.

Mark J. Costa
Chairman and Chief Executive Officer

About Eastman

Eastman (NYSE:EMN) is a global specialty chemical company that produces a broad range of products found in items people use every day. With a portfolio of specialty businesses, Eastman works with customers to deliver innovative products and solutions. At Eastman, we remain committed to delivering consistent, superior value for all of our stakeholders. We are focused on driving growth through innovation, productivity and acquisitions. At the heart of this growth platform is sustainability.

Corporate governance and values

At Eastman, we are committed to creating superior value for all of our stakeholders. This includes conducting all business activities in accordance with the highest legal and ethical standards because we understand that, to be successful, we must build trust and confidence. We operate under Eastman's Code of Business Conduct, and we ensure annual training for each employee to certify his or her compliance with the Code. Additionally, we provide our Third Party Code of Conduct to our suppliers, which defines our expectations for conducting business with Eastman. We desire the same ethical behavior of our suppliers and hold them accountable by annual supplier surveys.

Eastman's decisions and actions at the Board, management and individual employee levels are rooted in the brand beliefs and core values outlined in our guiding document, *Eastman Advantage*, including safety and wellness, customer focus, innovation, diversity and inclusion, and sustainability. Living by these principles enables the men and women of Eastman to consistently deliver value to our customers and stockholders while also enabling a positive future for Eastman team members and a culture where integrity is of utmost importance.

Board of Directors

Eastman's Board of Directors and the Board's Committees oversee compliance with legal and regulatory requirements. They also oversee the development and management of policies and practices in their respective areas of responsibility — Audit; Compensation and Management Development; Finance; Health, Safety, Environmental and Security (HSES); and Nominating and Corporate Governance. Eastman's Chief Sustainability Officer meets regularly with the HSES Committee. Chaired by Julie F. Holder, the HSES committee is comprised of independent, nonemployee directors and oversees the company's sustainability performance. The purpose of the HSES Committee is to review with management and, where appropriate, make recommendations to the Board regarding the Company's policies and practices concerning health, safety, environmental, security, sustainability, and political activities. Eastman's Corporate Governance Guidelines and Committee Charters are available through Eastman's website.

Sustainability Council

Eastman's global sustainability strategy is guided by the leadership of Eastman's Sustainability Council. The Council, which met quarterly and consists of members of our executive team and senior leadership, provides direction on all corporate sustainability efforts across the company, with a goal of leveraging sustainability as a key driver of innovation and growth. Members of the Council demonstrate leadership and ownership of the company's sustainability goals by including goals specific to their responsibilities on personal performance commitments through the company's performance management program.

Eastman at a glance

Founded in **1920**

49 MANUFACTURING SITES IN **14 COUNTRIES**

$9.6 BILLION SALES REVENUE

15,000 GLOBAL TEAM MEMBERS

SERVING CUSTOMERS IN **100** COUNTRIES

4 business segments

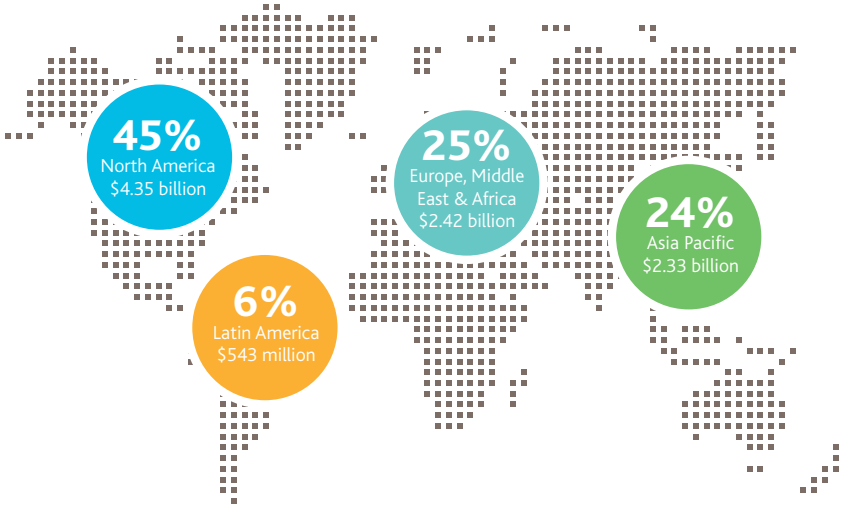
Additives & Functional Products

Advanced Materials

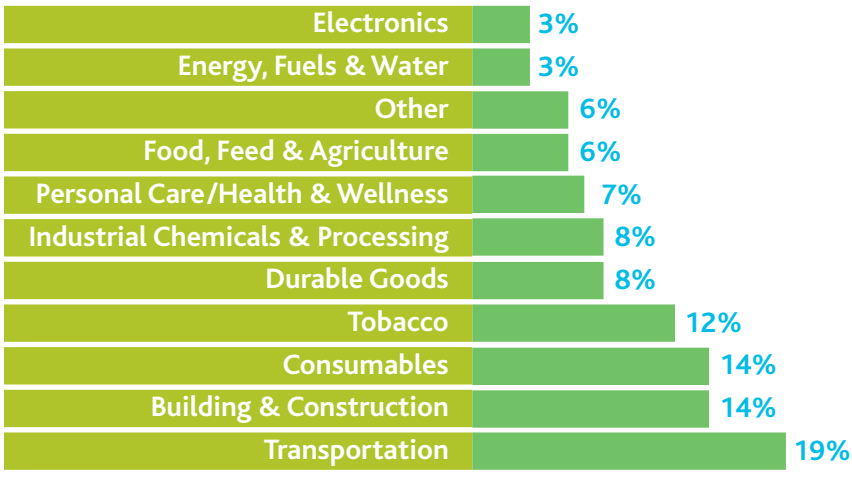
Chemical Intermediates

Fibers

2015 sales revenue *by region*



2015 sales revenue *by end-use market*



Three years
glassdoor EMPLOYEES' CHOICE BEST PLACES TO WORK 2016

Three years
2016 WORLD'S MOST ETHICAL COMPANIES® WWW.ETHISPHERE.COM

Five years
ENERGY STAR® PARTNER OF THE YEAR
ENERGY STAR AWARD 2016 PARTNER OF THE YEAR Sustained Excellence

~2/3 of sales revenue from product lines in leading market positions

Six years consecutive earnings growth

RECORD free cash flow* **$960** million

*Cash from operations less capital expenditures

HEADQUARTERED in Kingsport, Tennessee **USA**

Sustainability strategy and goals

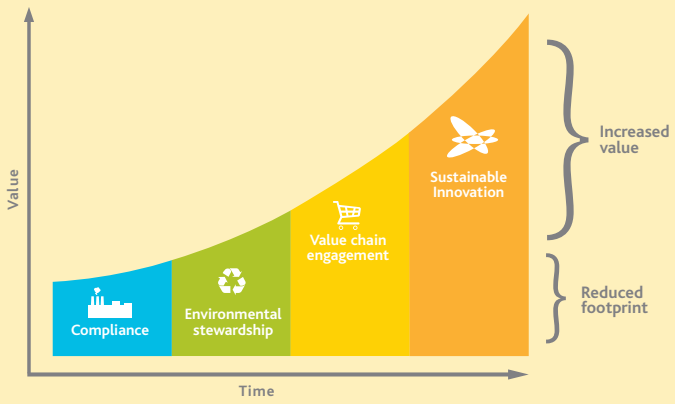
At Eastman, we often describe sustainability as a journey.

The world continues to change, and we must evolve and adapt to not only respond to those changes but anticipate them. We have a long history of working safely, meeting compliance standards and operating sustainably. Over time, we have increased our environmental stewardship efforts to mitigate the potential impact of our operations. With the establishment of Eastman's Sustainability Council in 2010, we moved beyond compliance and environmental stewardship to a more holistic view of sustainability, including economic growth through innovation, philanthropy and social investment. Taking a broader view of sustainability brought a passion and desire to make a real difference in the world. We know we can't do that on our own, so we've increased focus on value chain engagement and collaboration to drive change that encompasses all aspects of sustainability. As we look to the future, our strategy intentionally focuses our efforts on creating value through sustainable innovation. We have made great progress, but we know the work will never be complete. We will continue to take on the challenge.

Global macro trends drive our strategy.

We understand that we cannot drive a successful and meaningful sustainability strategy without understanding how the rest of the world defines and measures sustainability. To that end, we have identified four key macro trends aligned to our corporate strategy that present both business opportunities and risks for Eastman: health and wellness, emerging middle class, natural resource efficiency, and feeding a growing population.

Creating value through sustainable innovation



We've increased focus on value chain engagement, and collaboration to drive change that encompasses all pillars of sustainability. As we look to the future, our strategy intently focuses our efforts on creating value through sustainable innovation.

Sustainable Development Goals shape the future.

In 2015, the UN launched its new Sustainable Development Goals (SDGs), an ambitious set of goals to be achieved by 2030 to overcome the range of environmental and social issues facing the world. The 17 SDGs build on the eight Millennium Development Goals established in 2000 — further evidence that sustainability is a journey, and as goals are met, we must set our sights on new horizons. The SDGs are comprehensive, covering everything from poverty, hunger, health, clean water, education and gender equality to economic growth, innovation, responsible consumption, climate change and the unpolluted ocean. The final goal, developing "partnerships for the goals," speaks strongly to Eastman's approach to sustainability and corporate responsibility.

Much of Eastman's corporate sustainability strategy and goals aligns to these SDGs, and as we continue to move forward, we are mapping our efforts to support this global framework. Throughout the report, we identify alignment of our current goals and highlights to the SDGs through the use of specific icons that represent each of the goals. As we transition to GRI G4 and incorporate our recent acquisitions into our reporting in 2017, we are committed to clearly identifying the SDGs that are of highest priority for Eastman and how those priorities align with our corporate sustainability strategy going forward.

To learn more about the Sustainable Development Goals, visit www.sustainabledevelopment.un.org/sdgs.

Sustainability scorecard

Raising the bar, focusing our efforts and keeping our eyes on the big picture

Sustainable growth

Goal
Deliver new business solutions from our world-class renewable technology platforms

New for 2016

Goal
Ensure all corporate innovation projects are assessed against sustainability macro trends

New for 2016

Goal
Complete LCAs on all new product family launches by 2015

Progress X

Improved footprint

Goal
Reduce energy intensity by 20% by 2020

Progress

Goal
Reduce GHG intensity by 20% by 2020

Progress

Goal
Reduce hazardous waste intensity by 15% by 2020

Progress

Goal
Develop a water conservation strategy for manufacturing sites in water-stressed regions by 2015

Progress ✓

Additional emission goals reported in progress section

Social investment

Goal
Committed to an injury- and incident-free workplace

Progress

Goal
Increase utilization of preventive services by employees and spouses in North America by 15% by 2017

Progress

Goal
Engage globally in impactful partnerships that elevate Eastman's Corporate Responsibility* focus areas

New for 2016

**Note: Individual goals reported in progress section*

Goals and Progress

PROGRESS KEY

- Needs Improvement
- On Track
- ✓ Met
- X Not Met

Reporting our progress

We've reported progress for several years through our Responsible Care® membership. However, in 2009, we published the company's first sustainability review, aptly titled *Our sustainability journey*. In that publication, we established our first set of short-term sustainability goals at a corporate level, encompassing the three pillars of sustainability — economic growth, environmental stewardship, and social responsibility.

With the publication of our first sustainability report and GRI supplement in 2011 and 2012, respectively, we expanded our goals into short-, mid- and long-term goals. As we have evolved on our journey, so have our goals. In our 2014 report, we streamlined our goals into a clear set of aspirational core commitments. We remain focused on making a measurable positive impact on our business, employees, customers, communities and planet. These next generation goals raised the bar, focused our efforts, and enabled us to keep our eyes on the "big picture" targets of our strategy.

This year, we continue to report on these aspirational goals and targets, with a focus toward the year 2020. As we've achieved goals or shifted our strategic focus in line with our corporate strategy and portfolio transformation, we've added and refined the goals to reflect our priorities. Goals achieved during our previous reporting period have been removed.

Progress toward stated goals

Sustainable growth

Goal	Progress	Progress details
Deliver new business solutions from our world-class renewable technology platforms. Note: *Replaces previously stated goal: Developing new business utilizing renewable feedstocks by 2020*	**New for 2016**	Over the past few years, the company's portfolio and increased focus on innovation have continued to evolve. As such, our commitments to deliver sustainable business solutions must also evolve. We've established this new goal to reflect the company's business strategy to exploit our world-class biobased technology platforms while recognizing the history of our renewable platforms. Work is currently underway to define measurable targets to support this goal going forward.
Ensure all corporate innovation projects are assessed against sustainability macro trends	**New for 2016**	As we move forward with an increased focus on sustainable innovation, we are driving early-stage consideration of macro trends and sustainability factors into the innovation and stage gate processes. Through collaboration between the Corporate Innovation and Corporate Sustainability teams, we are developing a framework to be used across innovation platforms to assess the potential sustainability impacts of a product at the earliest stage of identifying opportunities and applications. As we complete the development of the framework and better understand how the framework will shape our innovation efforts, we will look to establish clear goals for measuring success.
Complete Life Cycle Assessments (LCAs) on all new product family launches by 2015	X	By 2015, we completed representative LCAs for 54 product families that have been commercialized since 2010. There have been 78 product family launches since then for a 69% completion rate. Due to the increasing speed and number of product commercializations over the past few years, we did not meet our initial goal. However, we continue to prioritize completing LCAs for products where having an LCA is important to our customers.

◒ Needs Improvement ● On Track ✓ Met X Not Met

Improved footprint

Goal	Progress	Progress details
Improve energy efficiency of operations by 20% by 2020 against the 2008 baseline	◒	Through 2015, we improved energy intensity by 8% compared to the 2008 baseline. While we continue to show good progress, performance was less than satisfactory in 2015. We continue to analyze the data and take corrective actions as needed.
Reduce greenhouse gas (GHG) emissions per unit of production (GHG intensity) by 20% by 2020 against the 2008 baseline	●	2015 greenhouse gas intensity was 0.90, a decrease of 12% compared to the baseline. Over the last two years, we converted three boilers at our domestic sites from coal to natural gas combustion. We plan to convert more boilers over the next three years. The conversion from coal to natural gas will enhance our emission reduction efforts and help us attain our goals.
Reduce nitrogen oxide (NO_x) by 20% and sulfur dioxide (SO_2) by 40% by 2020 against the 2010 baseline*	● ●	2015 NO_x emissions were 10,922 tons, a decrease of 1% compared to the baseline.* 2015 SO_2 emissions were 18,663 tons, a decrease of 18% compared to the baseline.* Over the last two years, we converted three boilers at our domestic sites from coal to natural gas combustion. We plan to convert more boilers over the next three years. The conversion from coal to natural gas will enhance our emission reduction efforts and help us attain our goals.
Reduce Volatile Organic Compounds (VOC) by 15% by 2020 against the 2010 baseline	◒	2015 VOC emissions were 7,865 tons, a decrease of 4% compared to the baseline.
Reduce total number of reportable releases by 25% against the 2010 baseline	●	In 2015, we had 49 reportable release events, a decrease of 20% compared to the baseline.
Reduce Toxic Release Inventory (TRI) emissions to the air by 25% by 2020 against 2010 baseline	◒	2014 TRI air emissions were 7.3 million pounds, an increase of 17% compared to the baseline. Over the last two years, we converted three boilers at our domestic sites from coal to natural gas combustion. We plan to convert more boilers over the next three years. The conversion from coal to natural gas will enhance our emission reduction efforts and help us attain our goals.
Reduce hazardous waste (indexed to production) by 15% by 2020 against the 2010 baseline	◒	2015 hazardous waste indexed to production was 0.0083 kg waste/kg production, a significant increase compared to the baseline.
Develop a water conservation strategy for manufacturing sites in water-stressed regions by 2015	✓	After completing an initial assessment using the WBCSD Water Tool and Aqueduct Water Risk Atlas in 2014, a cross-functional team surveyed eight of our manufacturing sites considered to be in potentially water-stressed areas based on the results. Of the eight sites, we identified no significant gaps, with each site reporting either no scarcity, limited water use, or plans currently in place to reduce water use.

**Baselines have been adjusted to reflect available data following recent acquisitions, not including Taminco.*

◒ Needs Improvement ● On Track ✓ Met X Not Met

Progress toward goals *(continued)*

Social investment

Goal	Progress	Progress details
Maintain our strong commitment to an incident and injury free workplace with continued goals and tracking: • Corporate Injury and Illness Recordable Rates target <0.54* • Days Away from Work Rates target <0.12* • Process Safety target <10* (incidents defined as per the American Chemistry Council) **We adjusted these targets in 2015 for acquisitions and previous performance.*	◒	Since introducing the ALL IN FOR SAFETY initiative in 2012, we've changed how we discuss and approach safety at Eastman. While we are making progress, we recognize the need to continue efforts to meet our safety targets and accelerate our journey towards the ultimate goal of no one getting hurt. In 2015, we introduced a new vision statement to articulate the importance of why we choose to act safely and established five key elements: leadership, engagement, knowledge, processes, and communication. • 2015 Injury and Illness Rate — 0.64 • 2015 DAW Rate — 0.17 • Process Safety Incidents in 2015 — 23 incidents *Measures reflect all sites, including Taminco sites acquired in 2014.*
Increase utilization of preventive services by employees and spouses in North America 15% by 2017	●	Through 2015, we increased utilization of preventive services in North America by 14% against our currently stated goal. Through Eastman Wellness, we remind employees to take advantage of the Eastman health plan benefits with preventive services being covered at 100%. We also encourage employees to engage their personal physicians and Cigna health plan coaches. Additionally, we collaborate with local health service providers in communities where Eastman has a presence, to offer on-site services and screenings for our employees.
Engage globally in impactful partnerships that maximize collective value in the areas of **education, environment, empowerment,** and **economic development**.	**New for 2016**	**Education:** Strategic partnerships between business and education help ensure we have a successful workforce in the future. We will continue to encourage innovative and productive thinking in real-world environments to enable students to excel. Additionally, we will engage strategic partnerships to create a sustainable model for educational initiatives in site communities. **Environment:** The Eastman team works hard to minimize our environmental footprint by conserving natural resources, inventing more efficient production methods, and developing chemistries that use renewable raw materials. We strengthen partnerships, obtain insights and deliver solutions that help reduce our footprint, support the Blue Economy and improve the quantity and quality of food sources for our growing population. **Empowerment:** We are committed to building an engaging and dynamic work environment with a mind-set of equality and inclusion that fosters creativity, innovation and camaraderie across our global company. With a focus on gender equity, we are developing plans for a signature program to promote equality and parity across our workforce. **Economic Development:** We take our work seriously and believe that investing in communities builds trust, goodwill and long-term success for all. Our goal is always to support innovative and impactful economic development partnerships that directly benefit residents and improve quality of life.

◒ Needs Improvement ● On Track ✓ Met X Not Met

Sustainability highlights

Creating value through a collaborative and innovative spirit

Collaboration to drive change

At Eastman, we're serious about collaboration. It's not just a buzz word — it's a core value. We value the importance of collaboration to drive change both internally throughout Eastman and externally along the value chain. We have deep expertise and insight in a variety of areas, but we recognize we can't solve the world's problems on our own. The expertise of our global team enables Eastman to be a responsible environmental steward by minimizing the company's footprint and conserving natural resources in a cost-effective manner. But we aspire to do more. We aspire to use our talents and expertise to make an even bigger difference — to create value through the development and production of molecules that meet the world's specific needs. To achieve the greatest impact, we don't believe we can go alone. Collaboration is key. Throughout the following highlights from the past year, you will see collaboration as an integral part of our strategy. Our stakeholders fall along a broad spectrum, and we continue to instill trust and foster ongoing relationships with each of them to create value.

Creating value through innovation

At Eastman, we believe innovation and sustainability are naturally woven together.

Our growing, changing world demands sustainable innovations, and Eastman is well positioned to deliver them. To ensure quality of life for a growing population and to preserve our planet, we must solve a multitude of issues facing our world today. We believe the biggest issues deal with food, water and energy.

It will take innovation to deliver those solutions, and those innovations get their start on the molecular level. Eastman is a leader in that space. Our scientific insight and world-class technologies are the foundation. Through engaging others in our value chains and understanding external drivers such as macro trends, we are developing applications that can be tested.

Innovation lies at the heart of our corporate strategy and our company's growth. Chances are that our materials are in a product that has touched your life today. From the baby bottle made of Eastman Tritan™ copolyester that gives you peace of mind to the filters made with Eastman Cyphrex™ microfibers that make your car run more efficiently or the Skydrol™ aviation hydraulic fluid that makes a sustainable impact in the aviation industry, our influence is broad-reaching.

There are a myriad of examples that illustrate our strong connection between innovation and sustainability. For us, it's more than creating a molecule or material. We are creating value because of the difference those molecules and materials make in people's lives.

Chances are, Eastman materials are in a product that has touched your life today.

"We're committed to delivering customer solutions. Our innovation model is designed to target areas where sustainability macro trends and unserved customer needs align with our world-class technology platforms. Sustainability really drives our innovation platform and our innovation strategy."

— Steve Crawford, Senior Vice President and Chief Technology Officer

Lending an innovative hand to society

Early in 2016, leaders from Eastman and Chung-Ang University in South Korea gathered together in Seoul to put pen to paper and cement a collaborative agreement that will have a lasting impact for children in need.

This collaborative project between Eastman and Chung-Ang University will deliver increased mobility and empowerment to underserved children in Asia who need prosthetic hands. Using a 3D printer, faculty and students at the university will make prosthetic hands fabricated from Eastman Amphora™ 3D polymer, a cutting-edge thermoplastic that has quickly become a preferred material for 3D printing.

Introduced into the market in 2014, Amphora is renowned for its toughness and ability to produce finely detailed items. Additionally, it is styrene-free, boasts low odor and low emission qualities, and complies with certain U.S. Food and Drug Administration regulations for food contact applications.

Through this collaborative initiative, Eastman will supply Amphora-based filament to Chung-Ang University so the school can leverage open source designs to print and assemble the prostheses. Eastman and Chung-Ang are in the process of identifying a nongovernmental organization that will be responsible for the delivery of the prosthetic hands to children locally in Asia.

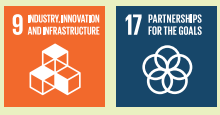
We also helped christen the university's new "Creative Factory," a Seoul-based center for high technology where students and faculty members will print and assemble the prosthetic hands.

Along with leveraging Eastman innovation to empower people, there is an educational component at work, too. Empowerment and education are two core building blocks of Eastman's corporate responsibility commitment, and collaboration with institutions of higher education is a key facet of Eastman's open innovation model.

More than 1,000 Eastman team members took part in the Global Innovation Conference in September 2015.

Global Innovation Conference leadership

Underscoring Eastman's commitment to investing in innovation, the company hosted the Global Innovation Conference in September 2015, bringing together more than 1,000 Eastman team members in one location to collaborate, share ideas and accelerate our ability to build networks and drive future innovation across the company. The most collaborative and inclusive conference dedicated to innovation in the company's history, the five-day event featured diversity of thought and inclusiveness of perspectives from every corner of Eastman — both geographically and organizationally. Through more than 300 poster sessions, 60 presentations, and several workshops that fostered "in-the-moment" brainstorming and problem solving, the conference delivered valuable outcomes that extend way beyond that single event.



Taking on the transportation market

The thin line between innovation and sustainability

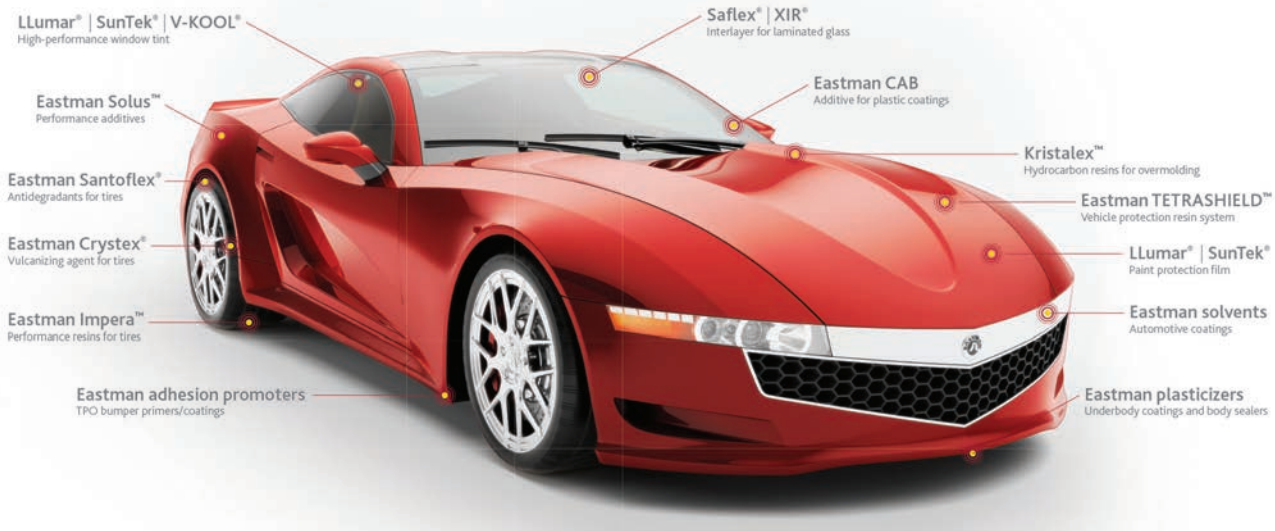
In the automotive industry, manufacturers are constantly looking for ways to improve passenger comfort and vehicle efficiency. And Eastman is quietly making a difference — with frequency.

Our Saflex® Q series PVB advanced acoustic interlayers not only reduces wind noise in the cabin, but as a result of the improved acoustic performance auto makers can chose to thin the glass resulting in reduced weight. As any auto engineer knows, when it comes to car efficiency, every ounce counts.

In fact, Saflex Q series can reduce cabin noise levels by up to three decibels versus a standard windscreen and up to five decibels when compared to tempered glass side windows. It is especially effective within the frequency of human perception, particularly in typical voice ranges. In other words, consumers can hear the difference. And that speaks volumes about Eastman innovation.

Our Saflex® Q series PVB advanced acoustic interlayers not only help reduce cabin noise, they can also help manufacturers reduce weight . . . and when it comes to car efficiency, every ounce counts.

But reducing noise is not the only challenge. In response to regulatory requirements and consumer demand for greater fuel efficiency, automotive makers are tasked with finding incremental reductions in overall vehicle weight. Considering there are up to five square meters of glass in a typical car, Saflex acoustic interlayers can help automakers reduce overall weight by up to 10.5 kilograms per vehicle by reducing glass thickness.



For decades, Eastman has been a proven supplier to the automotive industry. Our solvents and polymers help formulators make durable, efficient, and spectacular coatings — while our tackifiers, glass interlayers, and plasticizers are found in innovative applications bumper to bumper.

At Eastman, we believe innovation begins with insights and ends with results.

Proven performance from plastic to paint

It's estimated that up to 50% of the energy spent to build a car in assembly plants is consumed in the paint shop. So what if we could develop a novel, world-class coating technology that will greatly improve the lifetime and appearance of a car's shine with just one coat? Eastman has done just that.

Improving efficiency and durability, this new monocoat resin offers original equipment manufacturers (OEMs) the possibility to greatly enhance the long-term appearance of their vehicles without having to invest in expensive and energy-consuming multilayer paint systems.

Empowered by Tritan-based technology, Eastman Tetrashield™ vehicle protection resin system extends the life and durability of automotive coatings by increasing weatherability and mar resistance. Leveraging expertise from their proven polyesters platform, Eastman chemists have built a new toolbox of resins for automotive monocoats, that result in coatings with improved chemical resistance, toughness and strength. By using these novel resins, OEMs can potentially reduce their energy footprint, improve productivity, and also achieve a significant reduction in volatile organic compound and greenhouse gas (GHG) emissions, allowing for a more sustainable manufacturing footprint.

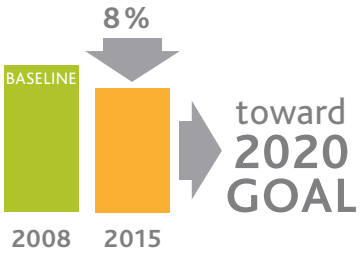
The technology also enhances the shine, weatherability, and scratch resistance of a car's coating, making the vehicle more attractive to consumers in emerging markets who have to strike a constant balance between their mobility needs and the cost of vehicle ownership. We can now enable OEMs to provide a superior product at a more affordable price compared to some of the other alternative technologies.

We have recently implemented the solution with a leading OEM in the Asian market, a market where the effects of strong UV radiation and dust create a harsh environment for vehicle appearance degradation.

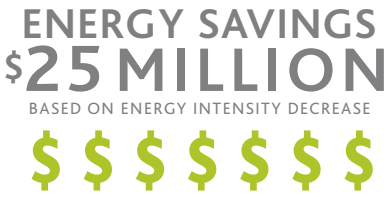
Going bananas over innovation

Through the acquisition of Taminco and its product lines in 2014, we increased focus in the food, feed and agriculture markets, including crop protection. Over the years, agrochemical development has been geared toward innovating fungicide solutions for fruit crops, such as bananas, due to the popularity and availability of the fruit around the world. Bananas typically grow in tropical areas, which makes the fruit susceptible to fungi. With environmental regulations of fungicides continuing to strengthen, the need for safe and sustainably minded solutions is increasingly vital to the future of banana crops. Eastman's Banguard™ is an innovative fungicide formulation based on Thiram, one of our key actives for the crop protection market. Development of Banguard started more than 10 years ago, with the first formulation being sold in the Philippines. We continue to study environmental challenges and areas in tropical climates with extended rainy seasons and strong UV radiation to develop new solutions that will stand up to the toughest circumstances.

Compliance and . . .



Energy intensity improvements compared to 2008 baseline.



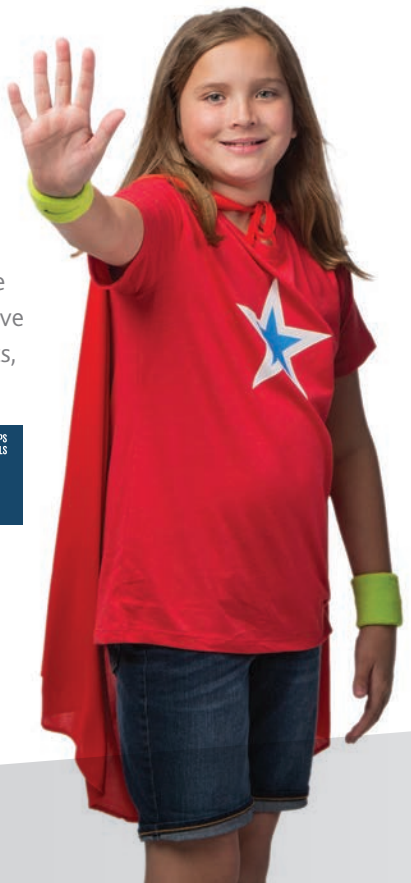
Savings in 2015 over 2008 from reduced energy intensity, at current energy prices

Environmental stewardship at Eastman is more than just compliance with laws and regulations. Eastman's women and men take environmental stewardship to heart and use their insights and expertise to focus not only on compliance but also on operational efficiencies and business performance. We understand that maintaining safe, sustainable operations not only impacts our company but our communities, the environment and our collective future. We continuously focus on improving processes and protecting the environment in the communities where we operate, as well as understanding the environmental impact of our products. Because of these insights, we have delivered more than compliance; we have innovated more sustainable products, improved our productivity, saved natural resources, reduced our environmental footprint and delivered cost savings. We set clear expectations and strive for a zero-incident culture — from both a safety and environmental perspective. As part of our Responsible Care® commitment to continual improvement, we review our goals regularly and establish targets that challenge us to move the horizon forward.

Be a star. An ENERGY STAR®

Through our Worldwide Energy Management Program, led by a full-time Certified Energy Manager, we continue to implement many successful energy efficiency projects and focus our efforts to not only reach our 2020 energy intensity goal but to also educate our stakeholders about the importance and value of energy management. From our award-winning deployment of combined heat and power to designing new buildings to meet strict EPA criteria for estimated energy performance, we continue our commitment to energy efficiency and the responsible management of our resources.

Through 2015, Eastman improved energy intensity by approximately 8% compared to our 2008 baseline. Using that baseline energy intensity level applied to the current production level at current energy prices, we estimate that Eastman would have spent approximately $25 million more in 2015 on energy if our energy intensity had not changed since 2008. As we increase production rates and continue to incorporate acquired sites into our Worldwide Energy Management Program, we know that we face a number of challenges to reach our 2020 goal. We have budgeted more than $11 million per year to energy projects, and we continually look for improvement opportunities and collaborate internally and externally to drive improvement.



Five years in a row! Eastman has been recognized by the EPA as an ENERGY STAR® Partner of the Year five consecutive years. We've received the Sustained Excellence award, EPA's highest ENERGY STAR® honor for the past three years, and we are the only chemical company to achieve this recognition.

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

As a materials company for nearly 100 years 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. This year, we introduced a new internal environmental stewardship guiding document, which establishes expectations and basic responsibilities for our employees around the world as we raise the bar on our continued commitment to environmental stewardship.

Distillation project

Eastman scientists are cognizant of the latest research in energy and process efficiency and promote the application of the latest technology across our operations. Focusing on one of Eastman's highly energy intensive unit processes, distillation, we are collaborating with two universities to advance the technology as well as train process improvement engineers to optimize operation of existing distillation units. Working with Purdue University and the Process Science and Technology Center (PSTC) at the University of Texas, Eastman is funding and providing on-site technical support for an experimental dividing wall column project at PSTC, which has the potential for significant energy reduction for the distillation process. Eastman is using the outputs of the project for analysis of existing Eastman distillation systems to identify opportunities for energy efficiency improvements.

Lighting upgrades

In 2015, lighting upgrades at several manufacturing sites resulted in more than $250,000 in energy savings. At one site, approximately 50% (6 MW) of the total lighting load has been removed over the past several years by installing more efficient lights. That is equivalent to homeowners replacing more than 115,000 60-watt incandescent bulbs with 8-watt LEDs or the amount of electricity used in over 4,000 homes.

Improved energy intensity nets results:

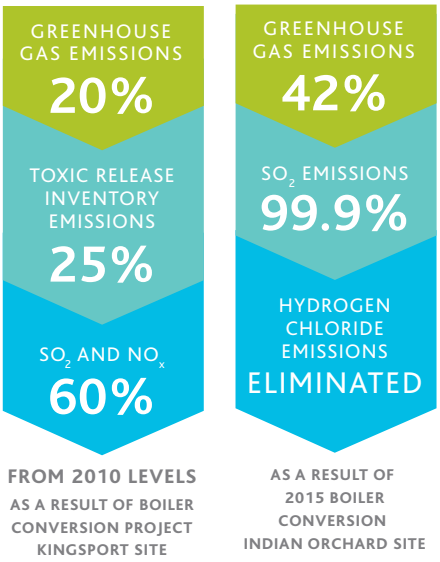
Reduction in greenhouse gas emissions since 2008 *

= **1.1 billion lb**
or
ENERGY USED BY
46,000 HOMES

**Based on energy intensity reductions*

Committed to reducing our impact

Projected reduction



Eastman continues its commitment to reducing emissions from our operations. While recent acquisitions have increased the emissions we report, we remain focused on reducing our environmental impact.

In 2014 and early 2016, we converted two boilers at our Kingsport, Tennessee, site from coal to natural gas combustion. An additional boiler will be converted in the second half of 2016 and two more boilers will be converted by 2018, for a total of five.

The Kingsport boiler conversion project is the most significant air pollution control project in the history of Eastman. This project will diversify the Kingsport facility's energy mix from 90% coal to 50% coal and 50% natural gas. It is projected to reduce site greenhouse gas emissions by nearly 20%, Toxic Release Inventory (TRI) emissions by 25%, and criteria air pollutants emissions (sulfur dioxide and nitrogen oxides — SO_2 and NO_x) by 60% from 2010 levels. The greenhouse gas emissions reduced would be equivalent to taking 170,000 cars off the road.

In addition to the Kingsport conversions, we converted another of our coal-fired boilers at our Indian Orchard facility in Springfield, Massachusetts, to natural gas in 2015. With this conversion, we have already reduced sulfur dioxide emissions by 99.9% and have eliminated hydrogen chloride emissions completely. We've been able to reduce greenhouse gas emissions by 42% at this site since the natural gas conversion, which is the equivalent of eliminating the GHG emissions from 9,700 cars.

Water conservation strategy

In 2014, we established a goal to develop a water conservation strategy for manufacturing sites in water-stressed regions by 2015. After completing an initial assessment using the WBCSD Water Tool and Aqueduct Water Risk Atlas in 2014, a cross-functional team surveyed eight of our manufacturing sites considered to be in potentially water-stressed areas based on the results. Of the eight sites, we identified no significant gaps, with each site reporting either no scarcity, limited water use, or plans currently in place to reduce water use.

Energy and emissions data

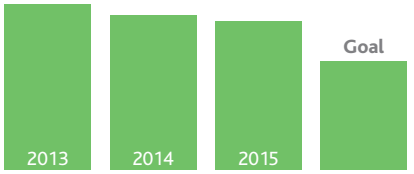
See eastman.com/sustainability for detailed charts.

Total direct and indirect greenhouse gas emissions by weight
(GHG = lb CO_2 per lb of product sold)

NO_x air emissions by weight
(tons)

Energy intensity
(percent reduction)

SO_2 air emissions by weight
(tons)



VOC air emissions by weight
(tons)

TRI air emissions by weight
(Mlb)

Metrics reflect recent acquisitions, not including Taminco. We are committed to reporting data on newly acquired sites within three years of acquisition.

Rising to the challenge

In early 2016, Eastman's Indian Orchard facility in Springfield, Massachusetts, earned the U.S. Environmental Protection Agency's (EPA's) ENERGY STAR® Challenge for Industry by reducing its energy intensity by 11.5% within the past three years.

The Indian Orchard site is the first Eastman site to achieve this high honor. Team members at Indian Orchard are helping to clean up our environment by reducing greenhouse gas emissions caused by energy use.

US EPA ENERGY STAR CHALLENGE FOR INDUSTRY

Reduced energy intensity
11.5% *in* 3 YEARS

From rivers to the ocean

We strive to conserve and protect our natural water resources, especially rivers and bodies of water near our manufacturing sites. We have advanced wastewater treatment plants and processes at our manufacturing facilities, which are engineered to meet — and in many cases exceed — environmental standards while protecting the health of our employees, our communities and our local ecosystems. Our dedicated team continues to work to apply Eastman's wastewater treatment standards and processes to our newly acquired sites.

As we look to the future, however, we understand that the conversation isn't only about water in our own back yards. When we consider the water sources around the globe, we can't deny the fact that the ocean covers more than 50% of the Earth's surface and is the source of approximately 97% of the water that eventually falls on land as precipitation. The ocean drives our climate system, thus strongly influencing climate change. The ocean is storing roughly 90% of the increased heat added to our climate system. Yet the processes that drive the transfer of heat, carbon, and water between the ocean and the atmosphere and between the upper and lower regions of the ocean are poorly understood. Understanding and predicting these exchanges is vital to predicting how much, how fast, and where temperature, sea level, ocean pH, and other key aspects of our climate system will change over the long term and impact human life. By better understanding the ocean and its relation to climate change, we are better able to identify long-term risks and opportunities relative to our business.

To this end, we continue to support and invest in ocean research through mechanisms such as our partnership with Woods Hole Oceanographic Institution (WHOI). We've also established a dedicated team and committed resources to engage in a broader conversation about the ocean and the Blue Economy.

In the top photo to the left, a team from WHOI collects the first ever glider to traverse the Gulf Stream. Enabled by Eastman, this unique application of autonomous underwater technology will vastly improve Gulf Stream data collection. In the second photo, WHOI staff prepares to launch an X-Spar buoy funded, in part, by Eastman. The buoy measures air-sea flux in remote, inhospitable regions of the ocean where bottom-anchored buoys are not feasible.

Protecting the Sabine River

In 2015, the Patrick Center for Environmental Research of The Academy of Natural Sciences of Drexel University conducted biological and water-quality surveys of the Sabine River. The Sabine River surveys are designed to assess potential impacts of effluent from Eastman's Longview, Texas, facility on the general health of the river. Over the years, the studies have shown that the Longview facility does not have an adverse impact on the river.

Additionally, team members in Longview anticipated the potential threat of flooding at the site due to an unusually long rainy season in December. The team surveyed dam heights and worked with a local contractor to proactively fill low areas with road base, up to two feet across some areas. The river levels reached the top of the new soiling but did not cross into the lagoons, preventing potential contamination of the Sabine.

Monitoring the health of the Sabine River

Linking science to supply chain sustainability

The beginning of the analysis of our products is looking at emissions upstream and downstream of our production. We appreciate that we can make a bigger difference when we rely on collaboration and transparency all along the value chain. Eastman uses bilateral exchange agreements to swap commodity materials between countries, which reduces the distance product must be shipped, lowers logistical costs and reduces the potential environmental impact of those logistics. The environmental impacts of shipping are large and can be tracked using life cycle assessments (LCAs).

In 2015, Eastman's LCA team completed a gate-to-gate life cycle assessment of delivery of products from the manufacturing site to a distribution location, focusing on the difference in impact associated with employing bilateral agreements with other companies that enable logistical savings. The study exclusively assessed the transportation stage in the life cycle and included all of the company's bilateral agreements from 2015. The study determined that by using these bilateral agreements Eastman can save about 2,400 tons of CO_2 emissions per year, approximately 4% of the total emissions of the product from cradle to gate or from raw materials extraction through point of sale. The emissions savings are equivalent to the annual energy to power 225 homes or almost 6 million miles driven by the average passenger car.

Designed for success

Leadership meeting rooms on the fifth floor offer beautiful views of the Eastman campus and neighboring Bays Mountain.

The Customer Insight Center includes product information highlights and conference and breakout rooms for meetings with customers and small groups.

In 2013, Eastman launched a major economic development initiative called "Project Inspire." As part of this project, the company is investing $1.6 billion in its Kingsport, Tennessee site leading up to the company's centennial anniversary in 2020. Project Inspire includes various safety and environmental projects, increased warehouse capacity, building renovations and expansion of the corporate campus, including the new Corporate Business Center, which opened in early 2016.

The Corporate Business Center, designed and constructed using the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, features many sustainable design elements. For example, the center features more than 2,000 triple-glazed glass panels which have low-emissivity coatings and are argon filled. This provides protection against ultraviolet (UV) and infrared rays and helps significantly control energy costs — all while infusing the open floor plan with natural light.

Other sustainable features include:

- Sunshades
- An energy-efficient roofing system
- Water-efficient fixtures and landscaping; an intelligent irrigation system uses 35% less water and the landscaping plants are drought-resistant, reducing the need for irrigation
- An advanced building automation system to control and monitor power consumption
- Lighting sensors that automatically adjust LED luminaires to conserve energy
- High-efficiency air handling units, chillers, and filters
- Recycled materials and certified renewable wood features
- Bike racks, fitness space, and shower facilities
- Use of low-emitting materials
- Carbon dioxide sensors tied to HVAC system control
- Reduced paper waste through use of hand dryers in bathrooms

Innovations such as these make the center energy efficient, and as a result, the Corporate Business Center project was approved by the EPA for Designed to Earn the ENERGY STAR® certification. This certification recognizes that this design project has met the EPA criteria for energy efficiency.

Corporate Business Center sustainability facts

95% of luminaires in the building are high-efficiency LEDs and linked to occupancy sensors and daylight harvesting sensors

38% less water usage than a conventional building, saving a projected 573,000 gallons per year

23 bike racks

22 electric charging stations (FEV Parking) on site

1/4 mile from two lines of public transportation

37 designated carpooling spaces

4 stormwater runoff water quality units protect adjacent stream

54% of site is open, green space (more than 15 acres)

More than **1 mile** of lighted walking/running paths

R-35

Over **50,000 square feet** of white reflective roof with **R-35** rating

500

More than **35% of materials** sourced regionally (within 500 miles)

More than **21% of materials** made of **recycled content**

During construction, **more than 87% of construction waste diverted** from landfill to construction recyclers

The cafeteria offers a variety of healthy and delicious options for breakfast and lunch.

Cafeteria seating area includes interior seating and a casual, outdoor patio area.

Each floor features a pantry with refrigerator, coffeemaker and casual seating.

Beyond philanthropy

At Eastman, corporate responsibility goes beyond philanthropy. It shapes how we operate. We are dedicated to focusing on the right projects and initiatives with the greatest collective impact. Whether that is advancing educational efforts around science, technology, engineering, arts and math (STEAM), promoting environmental stewardship, supporting community development and infrastructure efforts, or empowering workforce diversity, our community support and involvement reflect the rich heritage of Eastman's women and men around the world.

Within our corporate responsibility goals, we have set clear targets to improve safety, provide opportunities to improve health and wellness, and invest in our local communities as well as global initiatives where we can make a positive difference. As we focus on making improvements around the world, we hold steadfast to our core values of honesty, integrity and ethical business practices. We strive to engage employees, communities, organizations and businesses as we move forward together, identifying projects and initiatives where we can collaborate to drive change.

Strategic partnerships between business and education help ensure a successful workforce in the future. Encouraging innovative thinking in a real-world environment enables students to excel.

Design Challenges/SHiFT Camp

With a focus on STEAM education, Eastman often supports unique educational opportunities. One of these is SHiFT Design Camp, which is an open community of makers, connectors, designers and creators who are interested in design and its power to change the world. Eastman, along with other companies, connects camp participants from across the country with global material experts and local craftspeople — immersing them in team building, history and the art of making.

For more examples of Eastman's Corporate Responsibility efforts and strategic relationships, visit responsibility.eastman.com.

At Eastman, we work hard to instill and maintain a culture of continually looking to minimize our environmental impact by conserving natural resources, inventing more efficient production methods and developing chemistry that uses renewable raw materials. Being a responsible steward of resources also means ensuring our workplaces and operations are safe and that we act ethically and responsibly in all of our business dealings.

Woods Hole Oceanographic Institution (WHOI)

Because the ocean and ocean life are so fundamental to our climate and weather systems, Eastman is supporting Woods Hole Oceanographic Institution in developing innovative ways to observe and measure ocean processes. These new instruments will allow scientists to collect data in new places and to deeper depths as they strive to understand the ocean's role in our climate and investigate how our changing planet affects ocean life, water systems and populations on land.

Putting our resources to work

Eastman Foundation board members represent all areas of the company. Eastman and the Eastman Foundation provided funding and in-kind donations totaling more than $3.2 million to support public/private partnership initiatives focused on our corporate responsibility focus areas of education, environment, empowerment, and economic development. Eastman employees are afforded opportunities and encouraged to be good corporate citizens by participating in volunteer opportunities in their respective communities. In 2015, Eastman employees contributed over 125,000 hours[1] of volunteer service to a variety of community efforts.

[1]Based on current reporting mechanisms; not representative of all global sites

Empowerment

At Eastman, we believe empowerment facilitates success — whether it involves employees, community residents, or others. Empowerment builds competence, confidence and satisfaction in a work environment and also enables our communities to be inclusive and influential.

Room to Read (India)

Room to Read, a global nonprofit organization, envisions a world in which all children can pursue a quality education, reach their full potential and contribute to their communities and the world. Eastman shares that same philosophy. By contributing to establish primary school libraries and supporting girls in completing secondary school, we're contributing to the transformation of children's lives through literacy and gender equality in education.

Economic Development

We take our work seriously and believe that investing in communities builds trust, goodwill and long-term success for all. Our goal is always to support innovative and impactful economic development that directly benefits residents and improves quality of life.

Providing opportunities through apprenticeships

Maintaining a skilled workforce requires collaboration and commitment. In Kohtla-Järve, Estonia, Eastman has established a partnership with Eesti Töötukassa, a local employment agency, which allows community members to train and obtain on-the-job experience through apprenticeships at our company's manufacturing facility. The collaboration has not only reduced unemployment in the Ida-Viru County of Estonia, but also allowed Eastman to identify potentially skilled team members living in this part of Eastern Europe.

Diversity and inclusion

We believe an inclusive, global culture in which everyone can do their best work makes our company and communities stronger. A powerfully diverse workforce and broadly inclusive workplace are critical to Eastman's success. We are developing a long-term strategy and introducing initiatives across the company that underscore our commitment.

In 2015, Eastman joined the National Center for Women & Information Technology Pacesetters campaign and hosted an inaugural "Sit With Me" event. This initiative's broader purpose is to encourage gender parity in the technical fields, particularly information technology.

We are currently in the process of launching new Eastman Resource Groups to accelerate progress in tapping into the full potential of traditionally underrepresented and other select groups across the company. While these groups are in the early stages, we see their potential to drive engagement and move the needle on diversity and inclusion for Eastman. To build awareness and create change agents for these efforts, we introduced Leadership Learning Labs in 2015. The three day program is designed to develop a deeper understanding of how systemic issues around various types of diversity affect people in their work, community and personal lives. The goal is that each person walks away from the program understanding and taking ownership of their role in driving a more diverse and inclusive culture in our company and communities.

In honor of Black History Month this year, Eastman hosted its second annual oratorical contest and recognition event honoring the traditions and contributions of African-Americans to science, technology, engineering, art and math (STEAM). More than 50 high school students submitted essays for consideration, and the top five finalists were provided the opportunity to speak at a luncheon event held near the company's corporate headquarters. The winning essay, written and presented by Katheryn Luckadoo from Volunteer High School in Hawkins County, Tennessee, told the story of Patricia Bath, the first African-American female doctor to receive a medical patent among many other amazing accomplishments. Former astronaut Mae Jemison wrapped up the month's celebration at a community event addressing the need for great inclusion of women and other minorities in STEAM fields.

Katheryn Luckadoo, a sophomore at Volunteer High School in Hawkins County, Tennessee, with Chief Executive Officer Mark Costa (left); Chief Human Resources Officer Perry Stuckey (center); and Chief Manufacturing, Supply Chain and Engineering Officer Mark Cox (right).

About this report

Scope of report

Eastman's 2015 sustainability report focuses on our progress and challenges over the past year and includes quantitative data for the year ending December 31, 2015. The report covers Eastman's wholly owned operations. These metrics, however, do not include Taminco businesses acquired in December 2014 unless otherwise noted. We are committed to including information on newly acquired sites within three years of acquisition. As in previous years, this report follows the Global Reporting Initiative's (GRI) 3.1 framework and meets requirements for the United Nations Global Compact Communication of Progress.

As we determined report content, we completed an updated stakeholder mapping exercise. Based on that assessment, we identified the topics of significance and indicators that are most relevant to our internal and external stakeholders. We also examined our business opportunities and risks and evaluated external trends related to our business.

The data used in this report was collected through several information management processes, including instrumentation, monitoring, sample collection and analysis, engineering estimates, material balances and other methods.

Assurance

Eastman has rigorous internal policies and practices to ensure the content of this report is accurate. Additionally, Eastman's internal auditors assess the information in conformance with standards set by the Institute of Internal Auditors (U.S.). Internal auditors assessed the information contained in the report to ensure appropriate supporting documentation exists. Many of the financial data included are taken from the consolidated financial statements contained in the Eastman *2015 Annual Report*.

Stakeholder engagement

At Eastman, sustainability serves as a lens by which we operate. We understand that we cannot fully embed sustainability without collaboration and transparency. We must work together, internally and externally with our stakeholders, to create value — now and for future generations. We rely on effective stakeholder engagement to continually improve and make progress on our journey.

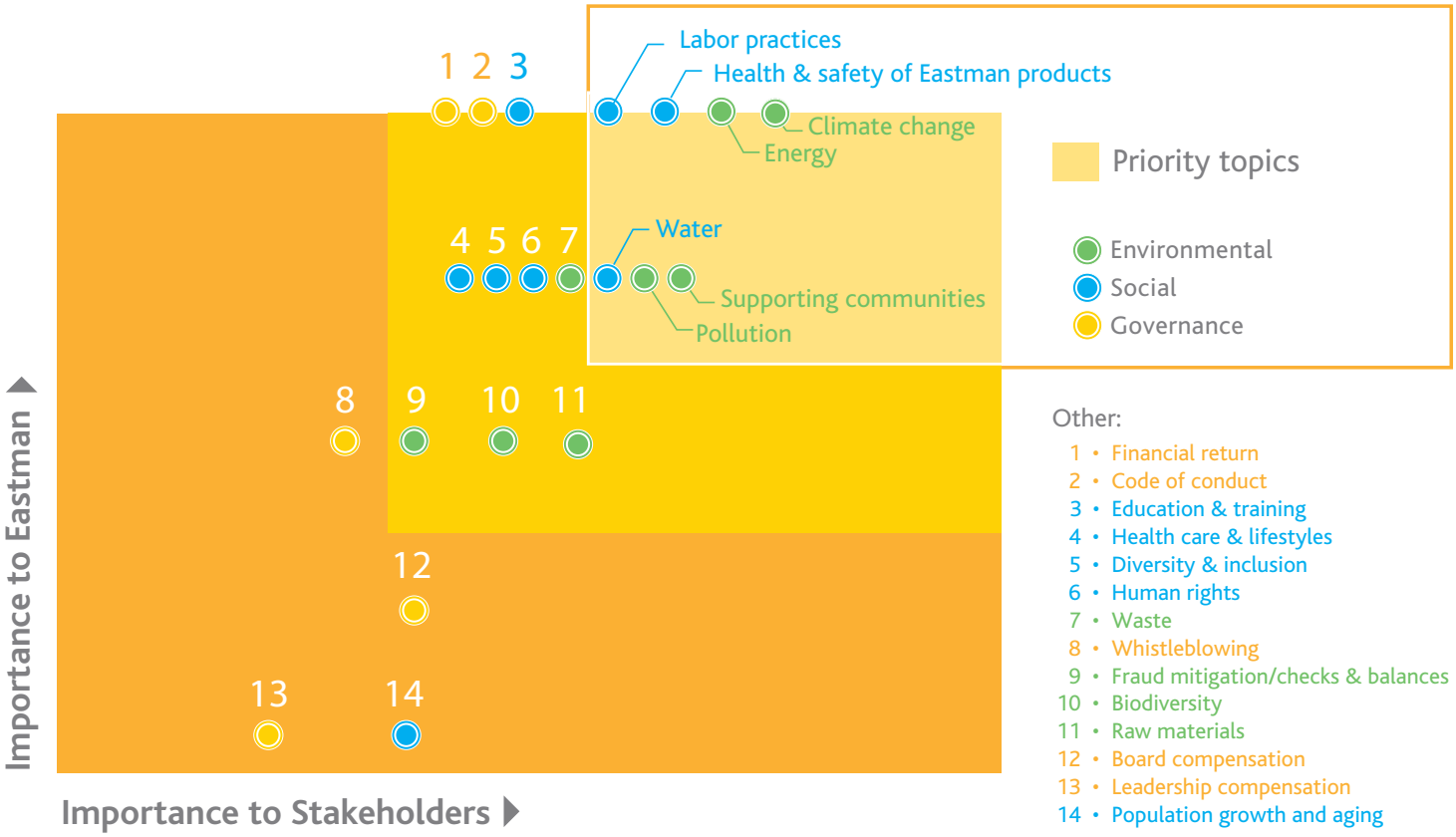
Stakeholder engagement is an ongoing process at the corporate, regional and local levels to advance the company's business objectives, build Eastman's reputation and achieve success. We maintain active communication and continually seek feedback on business performance and sustainability-related topics from a range of stakeholders, including employees, suppliers, customers, industry peers, investors, government organizations and nongovernmental organizations. We leverage insights from engagements and interactions to not only identify the most relevant issues where we will prioritize our resources but also to challenge ourselves to understand new and varying perspectives that can drive collaboration and positive change.

Stakeholder engagement varies in type and frequency by stakeholder group. This report provides an overview of Eastman's approach to stakeholder engagement, including examples of engagement in 2015 as well as stakeholder feedback and input for this year's report.

Stakeholders	Engagement examples
Employees	surveys, intranet, campaigns, events, training, participation in sustainability-focused teams/organizations
Communities	advisory panels, surveys, website, events, newsletters, collaborative projects
Customers	meetings, calls, conferences, surveys, collaborative projects, website, industry memberships
Suppliers	meetings, calls, conferences, surveys, collaborative projects, website, industry memberships
Investors	public investor conferences, public quarterly financial results call/webcast, and annual, quarterly, and other SEC filings

About this report *(continued)*

Eastman stakeholder materiality matrix



Other:

1 • Financial return
2 • Code of conduct
3 • Education & training
4 • Health care & lifestyles
5 • Diversity & inclusion
6 • Human rights
7 • Waste
8 • Whistleblowing
9 • Fraud mitigation/checks & balances
10 • Biodiversity
11 • Raw materials
12 • Board compensation
13 • Leadership compensation
14 • Population growth and aging

As a global specialty materials company, we face complex challenges that require commitment across the company as well as along the value chain to drive change. Over the past year, we have completed an updated assessment of our stakeholder groups based on research of publicly available information and ongoing interactions. Using sustainability reporting standards and working with a third-party consulting firm, we identified the most relevant sustainability-related topics for both Eastman and our stakeholder groups. The output of our analyses appears on the prioritization map. As a result of this assessment and our transition to GRI G4 guidelines in 2017, we are identifying key areas of more focused engagement for the coming year. Value chain engagement is an effort shared by many organizations throughout Eastman. Strategic collaborations across these groups focus on optimizing current engagements, identifying gaps or opportunities and defining key projects, collaborations or areas of focus as we move forward.

Other reports of interest

2015 Annual Report — Focus: Innovation

2015 Sustainability Report — Gaining momentum

Global Reporting Initiative

GRI index

GRI appendix

Global Reporting Initiative content index

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

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

Report line	Content	Where is it?	Reported	UNGC Principle
1.1	CEO message	Page 5 CEO message	Fully	
1.2	Impacts, risks and opportunities	Page 9 Goals — Macro trends Page 31 Stakeholder engagement Eastman 2015 Form 10-K, Part II, Item 7	Fully	
2.1	About Eastman	Page 6 About Eastman Company profile	Fully	
2.2	Brands, products, services	Page 7 About Eastman Eastman brands	Fully	
2.3	Operating structure	About Eastman Page 7 About Eastman	Fully	
2.4	Corporate and regional headquarter locations	Kingsport, TN, USA Eastman locations	Fully	
2.5	Countries of operation	Page 7 About Eastman Eastman locations	Fully	
2.6	Ownership	Eastman is a publicly traded company. Total common stock outstanding as of December 31, 2015, was 147,812,789 shares. Refer to Eastman's 2015 Form 10-K for additional information.	Fully	
2.7	Business segments and markets	Page 7 About Eastman Markets we serve	Fully	
2.8	Organizational scale	Page 7 About Eastman Refer to Eastman 2015 Form 10-K, Part 2, Item 8 for additional information	Fully	
2.9	Significant changes	Eastman 2015 Form 10-K, Part II, Item 8 Note 2 — Acquisitions Note 16 — Asset Impairments and Restructuring Charges	Fully	
2.10	Awards and recognitions	Awards	Fully	
3.1	Report period	Page 31 The information provided is based on 2015 corporate data for the year ending December 31, 2015.	Fully	
3.2	Most recent report	Page 32 About this report	Fully	
3.3	Reporting cycle	Annually	Fully	
3.4	Report questions	David A. Golden Senior Vice President, Chief Legal & Sustainability Officer, and Corporate Secretary sustainability@eastman.com	Fully	
3.5	Process for defining report content	Page 31 About this report	Fully	

Report line	Content	Where is it?	Reported	UNGC Principle
3.6	Boundary of the report	Page 31 About this report See Eastman 2015 Form 10-K, Part I, Item 2 for additional information on Eastman's properties. See Part II, Item 8 for more information on the company's joint ventures and newly acquired sites.	Fully	
3.7	Limitations on report scope	Within the context of the boundary of this report as defined in 3.6, there are no specific limitations.	Fully	
3.8	Basis for reporting that can significantly affect variability	The basis for reporting does not significantly affect the comparability from period to period.	Fully	
3.9	Data measurement	Page 31 About this report	Fully	
3.10	Restatements	There are no restatements.	Fully	
3.11	Changes from prior reporting	None identified.	Fully	
3.12	GRI Index	Page 33 GRI Index	Fully	
3.13	Assurance	Page 31 About this report	Fully	
4.1	Governance structure	Page 6 Corporate governance and code of business conduct Corporate Governance	Fully	all
4.2	Chair of Board of Directors	Chief Executive Officer and Director Mark J. Costa serves as Chairman of the Board. Board of Directors	Fully	
4.3	Independent directors, including presiding director	Of the 12 members of the Board of Directors, 11 are independent. Board of Directors	Fully	
4.4	Contacting the Board of Directors	Corporate Governance Guidelines	Fully	
4.5	Compensation and performance alignment	Corporate Governance Guidelines 2015 Annual Meeting and Proxy Statement	Fully	
4.6	Avoiding conflicts of interest	Code of Ethics and Business Conduct for Members of the Board of Directors	Fully	
4.7	Determining qualifications and expertise of directors	Corporate Governance Guidelines	Fully	
4.8	Vision and values, code of conduct and principles	Values Code of Business Conduct	Fully	6
4.9	Procedures for overseeing sustainability performance	Page 6 About Eastman Corporate Governance	Fully	all
4.10	Process for evaluating the Board of Directors' performance	Corporate Governance Guidelines	Fully	
4.11	Precautionary principle	Page 43 Appendix	Fully	7

Global Reporting Initiative content index *(continued)*

Report line	Content	Where is it?	Reported	UNGC Principle
4.12	External standards	Responsible Care® Product Safety Advocacy	Fully	all
4.13	Associations and memberships	Advocacy	Fully	all
4.14	Key stakeholders	Page 31 About this report	Fully	
4.15	Stakeholder identification	Page 31 About this report	Fully	
4.16	Stakeholder engagement approach and frequency	Page 31 About this report	Fully	
4.17	Learnings from stakeholder engagement	Page 31 About this report	Fully	

Disclosure on Management Report EC		Where is it?	Reported	UNGC Principle
Aspects	Economic performance	Page 6 About Eastman	Fully	1, 4, 6, 7
	Market presence	Page 6 About Eastman	Fully	
	Indirect economic impacts	Page 6 About Eastman	Fully	

Report line	Content	Where is it?	Reported	UNGC Principle
EC1	Economic value generated and distributed	Eastman 2015 Form 10-K, Part II, Item 8	Fully	
EC2	Financial implications due to climate change	Page 43 Appendix	Fully	7
EC3	Coverage of defined benefit plan obligations	Eastman 2015 Form 10-K, Part II, Item 8 Note 11 — Retirement plans Benefits at Eastman	Fully	
EC4	Significant financial assistance from government	None	Fully	
EC5	Range of wage ratios	—	—	
EC6	Spending on locally based suppliers	Page 43 Appendix	Partially	
EC7	Procedures for local hiring	Page 43 Appendix	Fully	6
EC8	Commercial, in-kind, pro bono engagement	Page 29 Beyond philanthropy	Fully	
EC9	Indirect economic impacts	—	—	

Disclosure on Management Report EN		Where Is it?	Reported	UNGC Principle
Aspects	Materials	Page 44 Appendix	Fully	
	Energy	Page 20 Energy efficiency	Fully	
	Water	Page 22 Water	Fully	
	Biodiversity	Page 45 Appendix	Fully	
	Emissions, effluents and waste	Page 20 Environment	Fully	
	Products and services	Page 25 Life cycle assessments	Fully	
	Compliance	Responsible Care® Product Safety Advocacy	Fully	
	Transport	Supply chain management	Fully	
	Overall	Page 20 Environment	Fully	7, 8, 9

Report line	Content	Where is it?	Reported	UNGC Principle
EN1	Materials used	Page 44 Appendix	Partially	8
EN2	Recycled input materials	Page 44 Appendix	Partially	8, 9
EN3	Energy use by source	Page 44 Appendix	Fully	8
EN4	Indirect energy use by source	Page 44 Appendix	Fully	8
EN5	Energy conservation and efficiency improvements	Page 20 Energy	Fully	8, 9
EN6	Initiatives related to renewable energy	Page 20 Energy Page 22 Reducing our impact	Fully	8, 9
EN7	Initiatives to reduce indirect energy use	Page 22 Reducing our impact Due to Eastman's extensive use of combined heat and power, indirect energy consumption is a small part of our energy requirements. We continue to look for ways to reduce our indirect energy demand and replace it with highly efficient combined heat and power.	Fully	8, 9
EN8	Total water withdrawal by source	Page 44 Appendix	Fully	8
EN9	Water sources significantly affected	Page 45 Appendix	Fully	8
EN10	Water recycled and reused	Page 45 Appendix	Partially	8, 9

Global Reporting Initiative content index *(continued)*

Report line	Content	Where is it?	Reported	UNGC Principle
EN11	Land in/adjacent to protected areas	Page 45 Appendix	Partially	8
EN12	Biodiversity impacts	Page 45 Appendix	Fully	8
EN13	Habitats protected or restored	Page 45 Appendix	Fully	8
EN14	Strategies/plans related to biodiversity	Page 46 Appendix	Partially	8
EN15	IUCN red list species in affected areas	—	—	
EN16	Direct and indirect GHG emissions	Page 46 Appendix Page 22 Reducing our impact	Fully	8
EN17	Scope 3 GHG emissions	Page 47 Appendix	Partially	8
EN18	Initiatives to reduce GHG emissions	Page 22 Reducing our impact	Fully	7, 8, 9
EN19	Ozone depleting substances	Page 47 Appendix	Partially	8
EN20	NO_x , SO_x and other air emissions	Page 22 Reducing our impact	Fully	8
EN21	Water discharge	Page 47 Appendix	Partially	8
EN22	Weight of waste	Waste management	Partially	8
EN23	Significant spills	Page 47 Appendix	Fully	8
EN24	Hazardous waste	Page 47 Appendix	Fully	8
EN25	Biodiversity value of water bodies and related habitats	—	—	
EN26	Initiatives to mitigate environmental impacts	Page 20 Environmental Product Safety	Fully	7, 8, 9
EN27	Products and packaging materials reclaimed	Supply chain management	Fully	8, 9
EN28	Significant fines and sanctions	Page 47 Appendix	Fully	8
EN29	Transportation impacts	Transportation safety Page 25 Supply chain	Partially	8
EN30	Environmental protection expenditures	Page 47 Appendix	Fully	7, 8, 9

Disclosure on Management Approach LA		Where is it?	Reported	UNGC Principle
Aspects	Employment	Careers at Eastman	Fully	
	Labor/management relations	Corporate governance Employee engagement	Fully	
	Occupational health and safety	Page 14 Safety Employee engagement	Fully	
	Training and education	Employee engagement	Fully	
	Diversity and equal opportunity	Employee engagement	Fully	
	Equal remuneration for women and men	Employee engagement	Fully	1, 3, 6

Report line	Content	Where is it?	Reported	UNGC Principle
LA1	Workforce by employment type	Page 47 Appendix	Partially	6
LA2	Employee hiring and turnover	Page 48 Appendix	Fully	6
LA3	Benefits to full time employees	Benefits at Eastman	Partially	
LA4	Collective bargaining	Collective bargaining agreements cover 9.4% of Eastman's global workforce.	Fully	1, 3
LA5	Minimum notice periods for operational changes	Page 48 Appendix	Fully	3
LA6	Joint management/worker health and safety committees	Page 14 Safety Process safety	Partially	1
LA7	Rates of injury and work related fatalities	Page 14 Safety	Partially	1
LA8	Global health and wellness programs	Employee engagement	Fully	1
LA9	Health and safety topics for trade union	—	—	
LA10	Employee training	Page 48 Appendix	Partially	
LA11	Programs for skills management and lifelong learning	Page 28 Beyond philanthropy	Partially	
LA12	Performance and career development reviews	Careers at Eastman	Partially	
LA13	Diversity and inclusion	Page 48 Appendix	Fully	1, 6
LA14	Equal remuneration	—	—	

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

Report line	Content	Where is it?	Reported	UNGC Principle
HR1	Investments/contracts incorporating human rights screening	Page 48 Appendix	Partially	1, 2, 3, 4, 5, 6
HR2	Screening of suppliers and contractors	Page 6 About Eastman	Partially	1, 2, 3, 4, 5, 6
HR3	Employee training	Code of business conduct	Partially	1, 2, 3, 4, 5, 6
HR4	Incidents of discrimination	—	—	
HR5	Right to exercise freedom of association	Page 48 Appendix	Fully	1, 2, 3
HR6	Incidents of child labor	Code of business conduct	Fully	1, 2, 5
HR7	Risk of incidents of forced labor	Code of business conduct	Fully	1, 2, 4
HR8	Security training	Security	Partially	1, 2
HR9	Violations involving right of indigenous people	—	—	
HR10	Operations subject to human rights assessments	—	—	
HR11	Grievances and resolution	—	—	

Disclosure on Management Report SO		Where is it?	Reported	UNGC Principle
Aspects	Local communities	Page 28 Beyond philanthropy	Fully	
	Corruption	Corporate governance	Fully	
	Public policy	Responsible Care® Advocacy	Fully	
	Anticompetitive behavior	Corporate governance	Fully	
	Compliance	Corporate governance	Fully	10

Report line	Content	Where is it?	Reported	UNGC Principle
SO1	Community engagement and development	Page 28 Beyond philanthropy	Fully	
SO2	Risk assessment for corruption	Eastman conducts an annual risk assessment of 100% of our businesses, which includes risks relating to corruption.	Fully	10
SO3	Anticorruption training	Code of business conduct	Fully	10
SO4	Anticorruption actions	Where any incident of corruption was identified, appropriate disciplinary action was taken in conformance with applicable laws.	Fully	10
SO5	Public policy position	Page 49 Appendix	Fully	
SO6	Value of contributions to political parties	Page 50 Appendix	Fully	10
SO7	Legal actions for anticompetitive behavior	—	—	
SO8	Fines and sanctions for noncompliance	Taminco Inc., a wholly owned subsidiary of Eastman, paid a $1.3 million penalty for alleged activity that occurred in 2010, prior to the Eastman acquisition in December 2014. Eastman is unaware of any other significant fines in 2015 relating to noncompliance with laws and regulations.	Fully	

Disclosure on Management Report PR		Where is it?	Reported	UNGC Principle
Aspects	Customer health and safety	Product Safety	Fully	
	Product and service labeling	Product Safety	Fully	
	Marketing communications	Page 49 Appendix	Fully	
	Customer privacy	Code of business conduct	Fully	
	Compliance	Code of business conduct	Fully	

Report line	Content	Where is it?	Reported	UNGC Principle
PR1	Life cycle assessment of health and safety	Page 25 Life cycle assessment	Fully	
PR2	Noncompliance with regulations and codes during life cycle	Product Safety	Partially	
PR3	Product and service information per procedures	Product Safety	Fully	8
PR4	Incidents of labeling noncompliance	Page 48 Appendix	Partially	8

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Report line	Content	Where is it?	Reported	UNGC Principle
PR5	Customer satisfaction	Page 48 Appendix	Partially	
PR6	Marketing and adherence to laws and standards	Page 48 Appendix	Fully	
PR7	Incidents of noncompliance with marketing related regulations	Eastman is unaware of any significant fines in 2015 concerning marketing communications.	Fully	
PR8	Customer privacy	We are not aware of any complaints regarding breaches of customer privacy or loss of customer data in 2015.	Fully	
PR9	Noncompliance with regulations for use of products	Eastman is unaware of any significant fines in 2015 concerning the provision and use of our products and services.	Fully	

Global Reporting Initiative appendix

411 Precautionary Principle

The core elements of the precautionary principle are reflected in our fundamental business processes. Eastman believes we have a responsibility to conduct our business activities in a manner that is protective of health and the environment. Corporate Guiding Documents such as our Code of Business Conduct and our Responsible Care® Pledge reflect our commitment to that belief. Those documents and supporting policies and procedures address our approach to the application of risk identification, assessment and management principles to our activities which is fundamental to application of the precautionary principle. As a member of the American Chemistry Council, we were one of the early adopters of the Responsible Care® Code of Management Practices and we are signatories to the Responsible Care Global Charter. We continuously assess and evaluate our operations and products and implement plans to reduce risk and impact on human health and the environment. We are committed to continuous improvement of the safety and performance of our operations and products.

EC2 Financial implications due to climate change

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

Emission standards or uncertainty about future standards may delay investments by our customers and, as a result, impact our future business opportunities. The direct impact of controlling CO_2 emissions from electric power generation may impact the cost of electric power supplied to Eastman, our customers and suppliers. Climate change may represent opportunities for Eastman with regard to the development and use of materials that enable or enhance efforts to mitigate or adapt to the effects of climate change. For example, use of window films to enhance energy efficiency, use of interlayers in window glass to provide strength for storm resistance, and development of coatings for extreme exposures represent potential opportunities. The company has diversified product offerings and serves broad markets and regions and tries to mitigate our exposure to swings in energy and raw material prices. These diversified product offerings and diversified customer base mitigate Eastman's potential commercial impact.

Eastman complies with current regulation of GHG emissions in those countries where GHGs are regulated with minimal financial impact. Proposed legislation and regulations are evaluated and the impact on Eastman is estimated. We engage policymakers directly and through trade associations with the objective that any climate change legislation or regulation enacted will not have an adverse impact on the economy or create a competitive disadvantage.

EC6 Spending on locally based suppliers

Eastman's policy is to purchase products and services based on total value for the company. Factors that Eastman considers when making purchasing decisions include competitive pricing, quality of work and materials, timely performance and commitment to sustainability. Procurement strategies are continuously being developed and implemented to provide appropriate assurances of sources for important goods and services necessary to the company's operations. Procurement strategies may include the development of a local supply base to ensure timely and reliable delivery.

EC7 Procedures for local hiring

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

Eastman uses a number of different approaches for identifying talent for the organization. Some of the more effective methods are social media, employee referrals, career fairs, visitors to Eastman.com, and job postings. The company then puts the candidates through a rigorous selection process to assess their level of capability and alignment with the organizational vision and culture.

Global Reporting Initiative appendix *(continued)*

EN1 Materials used

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

In 2015, major raw materials purchased, including feedstocks and materials consumed as fuel, were nearly 54.8 million tons. Eastman is beginning to implement and, in the future, will look to use fuel sources with lower emissions. At our Kingsport, Tennessee, facility, we have begun converting a powerhouse that provides approximately 50% of the steam and electricity for site manufacturing from coal to natural gas combustion. In 2015, we also converted a coal-fired boiler to natural gas at our Indian Orchard facility in Springfield, Massachusetts.

EN2 Recycled input materials

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

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

EN3 Energy use by source

Eastman used about 87 trillion Btu (92 million gigajoules) in 2015 to produce products. About 60% of this direct energy was produced from purchased natural gas and coal, and about 24% was recovered fuel from feedstock. Eastman now meets essentially all steam and more than 90% of our global electricity needs with cogeneration, which uses up to 40% less fuel, produces significantly less emissions and therefore has less impact on air quality. As a result, our direct energy consumption is 72% of our total energy consumption.

EN4 Indirect energy use by source

In 2015, Eastman used about 25 trillion Btu (26 million gigajoules) of indirect energy, in the form of purchased steam and electricity to produce our products.

Our corporate energy budget for energy improvement projects, including capital and expense, was $11.4 million in 2015. Over the last five years, Eastman has dedicated more than $50 million to energy efficiency projects with the realization that these projects are low risk and reduce energy costs, all while improving our environmental footprint.

- Since 2005, Eastman has participated in the European Union's Emission Trading System (ETS), buying and selling emissions credits. As a result, Eastman has implemented many successful energy efficiency projects that have helped reduce our energy use and overall emissions.
- In addition to manufacturing initiatives, our employees have spearheaded a number of local energy-saving initiatives as well, such as installing more efficient lighting in office buildings.
- Eastman has achieved about a nine percent improvement in energy intensity since the baseline year of 2008. In 2015, Eastman expects that more than $25 million would have been spent on energy if energy intensity had not changed since 2008 at current energy prices and production levels. (Energy intensity = MMBtu/1000 kg production)

EN8 Total water withdrawal by source

For Eastman facilities, the majority of water for manufacturing use consists of withdrawals from adjacent surface waters. Purchases of water from utilities, third parties and groundwater withdrawal account for a less significant portion of total use. An estimated 647 million cubic meters of water was withdrawn, purchased or pumped in 2015, and greater than 90% of that water is returned to the source. The primary use of the water is for noncontact cooling.

EN9 Water sources significantly affected

Eastman's withdrawals do not significantly affect any water source. Comprehensive river studies conducted by the Academy of Natural Sciences at our largest manufacturing facilities in Kingsport, Tennessee, and Longview, Texas, confirm the continued and improving health of surface waters in the vicinity of our two largest operations. In 2014, we made an initial assessment of which sites are in high-risk water-stressed areas or are expected to be in water-stressed areas in the next 10 years. In 2015, a cross-functional team surveyed eight of our manufacturing sites considered to be in potentially water-stressed areas based on the results. Of the eight sites, we identified no significant gaps, with each site reporting either no scarcity, limited water use, or plans currently in place to reduce water use.

EN10 Water recycled and reuse

Eastman recycles/reuses approximately 710 million cubic meters of water per year.

EN11 Land in/adjacent to protected areas

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

Examples of Eastman's sponsorships of local ecosystems include:

- Balok River Adoption Program, Kuantan, Malaysia
- Our facility at Newport, South Wales, leases Gwent Wildlife Trust 31 hectares of fields to manage as a Nature Reserve, known as Great Traston Meadows.
- Eastman Foundation supports The Nature Conservancy. The funds that Eastman Foundation has donated help fund The Nature Conservancy's acquisition of a preserve in Shady Valley, Tennessee, which supports at least 26 rare plants and animals.

EN12 Biodiversity impacts

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

EN13 Habitats protected or restored

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

- Eastman's Texas Operations facility continues to maintain Conservation Certification through the Wildlife Habitat Council. Texas Operations' longstanding environmental education program provides site-based outdoor learning opportunities to numerous groups throughout Gregg and Harrison counties and beyond. At around 100 acres in size, the nature center offers a nature trail, several outdoor classrooms, a demonstration forest, stream, observation beehive, and an amphitheater. Read on for more information on these features.
- Our Demonstration Forest is recognized at both the state and national level. Eastman has "Tree Farm" status from the American Tree Farm System and is a Certified Forest Steward by the Texas A&M Forest Service. The demonstration forest is managed under the Stewardship Forest Management Plan developed by Texas A&M Forest Service. Forest Awareness Tours (FATs) are workshops held throughout the nature center. Visitors can spend anywhere from 2–6 hours rotating through different stations where they learn about a wide variety of environmental education topics from experts in the fields representing the following partner organizations: Texas A&M Forest Service, Natural Resource Conservation Services, Texas Parks and Wildlife Department, East Texas Beekeepers Association, Northeast Texas Field Ornithologists (NETFO), and Eastman employees.
- We work with Texas A&M Forest Service to host the annual Project Learning Tree® (PLT) Walk in the Forest for educators (both in-service and preservice). PLT is an award-winning environmental education curriculum for educators of students pre-K through eighth grade.
- Texas Operations continues support of birding efforts at our facility and nature center. Bird counts occur throughout the year across our entire 6,000 acre site, not just at our Nature Center area. For the local birding organization, Northeast Texas Field Ornithologists, there are 2–3 counts during the year. Approximately 10 birders visit the property and count a variety of species (ranging from 16 to 65 different species). Each December, our facility is host to the city Christmas Bird Count where Eastman's property represents about 15% of the area covered and over 90% of the species tallied in the city count. More than 100 species are usually identified each year. Additionally, an Eastman employee (and Scout leader) leads the nesting box management program along with his troop. Most of the boxes were built in 1999 by scouts. The troop cleans and repairs the

Global Reporting Initiative appendix *(continued)*

boxes around the nature center and the plant site twice a year. There are currently around 35 boxes for both wood ducks and blue birds.

- We continue to manage and maintain data on the deer population in the habitat area through techniques such as planting food plots and conducting deer surveys every other year. We work with the Texas Parks and Wildlife Department to analyze the data. Our most recent survey was conducted in 2014 and the next survey is planned for August 2016. Population has dropped over the past two surveys, which is desired as prior surveys showed an overabundance of deer.
- One of the unique features for our nature center is the Honeybee Observation Hive, which offers visitors an opportunity to watch bees in their natural habitat. The hive is maintained by the East Texas Beekeepers Association.
- The Eastman Foundation has been a partner to The Nature Conservancy since 1991 and, over the years, has donated more than $300,000. These funds have helped preserve Shady Valley, a rare high-elevation remnant of the last Ice Age, located in Johnson County in the northeastern corner of Tennessee, just outside Cherokee National Forest. Shady Valley has long been recognized as one of the Southern Appalachians' most ecologically important areas. The valley was once covered with a network of sphagnum/cranberry peat bogs and white pine/hemlock forests, which supported a rich community of plant and animal life. To protect the wetland plants and animals from extinction, The Nature Conservancy purchased its first nature preserve in Shady Valley in 1979. Today the Conservancy owns four preserves and 705 total acres in Shady Valley, including 469 acres of mountain land and approximately 236 acres on the valley floor.
- For more than 45 years, Eastman has demonstrated a continuing concern for the health of aquatic life in the rivers near its manufacturing sites through its sponsorship of environmental studies conducted by The Academy of Natural Sciences. The studies document water quality and quantify the health and diversity of populations of plants, insects, aquatic invertebrates and fish within selected zones of the rivers. Academy researchers compare the results for each zone to those of the other zones to gauge the impact a variety of stressors may have on ecosystem "health" and compare the results of the current studies to previous Academy studies to understand changes over time. Eastman sponsored the Academy's initial studies of the Holston River at its Kingsport site in 1965 and of the Sabine River at its Longview site in 1982. Additional studies were conducted on the Holston River in 1974, 1977, 1980, 1990, 1997 and 2010 and on the Sabine River in 1987, 1995, 2000, 2005, 2010 and 2015. The studies conducted on both rivers in 2010 totaled costs of nearly $900,000. The Academy plans to conduct the next Holston River study in 2018.
- Our Kuantan, Malaysia, facility supports and participates in the Balok River Adoption Program and conducted the BRAP RIDE 2016 with the theme "Ride With Us, Care for the Environment." The objectives were to promote the Balok River and the surrounding environment.
- Sustrans, a movement to enable people to choose healthier, cleaner and cheaper journeys, was granted permission to build a safe, traffic-free part of National Cycle Route 4 on our Newport, South Wales, facility fields.
- We are a corporate member of Gwent Wildlife Trust, and 31 hectares of fields from our Newport facility are managed as a nature reserve. One of the U.K.'s rarest bumblebee species, the shrill carder-bee, has its main British stronghold in the Gwent Levels, including the reserve located at our Newport facility.

EN14 Strategies/plans related to biodiversity

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

EN16 Direct and indirect GHG emissions

Direct greenhouse gas emissions (GHG) are from sources controlled and operated by Eastman. Indirect GHG emissions result from Eastman's purchase of energy generated by facilities owned by another company. We measure our emissions based on the protocol recommended by the Intergovernmental Panel on Climate Change (IPCC) and the American Chemistry Council Responsible Care® guidelines. We are also measuring GHG emissions in accordance with the EPA Mandatory Reporting Rule (MRR), which is a different methodology from the IPCC/ACC methodology. Our 2015 direct greenhouse gas emissions using the IPCC methodology were approximately 6 million metric tons. Not all sites measure GHG, but based on energy usage, this number represents more than 90% of our global emissions. Eastman has a sustainability goal to reduce GHG intensity by 20% by 2020.

EN17 Scope 3 GHG emissions

The relevant other indirect GHG emissions are those avoided by the use of Eastman products. A 2009 study, commissioned by the International Council of Chemical Associations (ICCA), showed that for every one pound of CO_2 emitted in producing chemicals and plastics, two to three pounds of emissions are reduced by using consumer products made from those chemicals or plastics.

EN19 Ozone depleting substances (ODS)

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

EN21 Water discharge

Eastman discharges process wastewater in accordance with applicable permits, licenses and agreements. The wastewater is either treated in Eastman-owned treatment facilities and discharged directly to surface waters or it is treated in Eastman-owned pretreatment facilities and is conveyed to third-party providers (utilities, municipalities, etc.) for additional treatment and/or discharge or it is conveyed directly to third-party providers (utilities, municipalities, etc.) for treatment and/or discharge.

EN23 Significant spills

In 2015, we had 49 reportable release events, a decrease of 20% compared to our baseline of 61. See www.eastman.com/sustainability for detailed charts.

EN24 Hazardous waste

2015 hazardous waste indexed to production was 0.0083 kg waste/kg production.

EN28 Significant fines and sanctions

Eastman uses an internal reporting mechanism to ensure that all fines and penalties associated with noncompliance with environmental laws and regulations are captured in one place. This system applies globally and includes all fines and penalties of any size. For 2015, the company is not aware of any nonmonetary sanctions that should be reported.

The company paid $89,518 in 2015 for fines and penalties, which does not include amounts paid for supplemental environmental projects. The company spent $57,894 in supplemental environmental projects in 2015. These expenditures may have included projects for pollution prevention, support of local emergency response providers, education activities and similar projects that could benefit public welfare and the environment.

EN30 Environmental protection expenditures

Environmental expenditures in 2015, including construction, operating, development and mandated remediation, was $297 million.

LA1 Workforce by employment type

Total workforce	Employment type	Employment contract	Region
14,939 employees as of Dec. 31, 2015	Full-time: 97.9%	Permanent contract: 95.7%	NA: 74%
	Part-time: 2.1%	Temporary contract: 4.3%	EMEA: 15%
			AP: 8%
			LAR: 3%

Global Reporting Initiative appendix *(continued)*

LA2 Employee hiring/turnover

Attrition by gender	Attrition by age	Attrition by region
Male: 8%	Less than 30 years: 8.5%	NA: 6.5%
Female: 7.2%	30–50 years: 6.0%	EMEA: 13.2%
	Greater than 50 years: 10.1%	AP: 9.8%
		LAR: 6.3%

Hires by gender	Hires by age	Hires by region
Male: 7.4%	Less than 30 years: 30.4%	NA: 7.1%
Female: 8.3%	30–50 years: 7.0%	EMEA: 5.9%
	Greater than 50 years: 0.9%	AP: 14.4%
		LAR: 8.9%

LA5 Minimum notice periods for operational changes

In the event of operational changes that involve a change in staffing levels or otherwise affects employment, the Company engages in significant planning to ensure affected employees are treated with the utmost respect and dignity. Labor, as well as employment law requirements, including but not limited to reasonable employee notice of job loss, and requirements under collective bargaining agreements are carefully assessed in every global location.

LA10 Employee training

Employee category	Average training hours
Professional and management	23
Nonexempt (nonoperations)	15
Nonexempt (operations)	43
Technicians/technologists	26
Average for all categories	27

LA13 Diversity and inclusion

Gender	Age	Ethnicity
Male: 75.1%	Less than 30 years: 12.2%	Minority: 12%
Female: 24.9%	30–50 years: 51.4%	White: 88%
	Greater than 50 years: 36.4%	

HR1 Investments/contracts incorporating human rights screening

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

HR5 Right to exercise freedom of association

Eastman complies with all laws designed to preserve the right to exercise freedom of association and collective bargaining. Eastman has not identified any operation at which those rights are at significant risk.

PR4 Incidents of labeling noncompliance

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

PR5 Customer satisfaction

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

PR6 Marketing and adherence to laws and standards

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

SO5 Public policy position

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

- Taxes — The U.S. has the highest corporate tax rate in the world. Eastman supports comprehensive tax reform that lowers this tax rate to a level that helps ensure U.S. competitiveness.
- Trade — As one of the country's largest exporters, Eastman supports open access to markets for trade and investment, while ensuring our domestic markets are not subjected to unfair trade practices. In addition, Eastman opposes trade barriers, which include tariff barriers, nontariff barriers, investment restrictions or other methods of protectionism.
- Environmental regulations — Eastman supports sound science-based regulations that balance environmental protection with domestic economic growth and the preservation of good, domestic manufacturing jobs. In particular, Eastman supports a climate change policy that does not diminish the global competitiveness of U.S. manufacturers.
- Energy policy — Energy and energy feedstocks are critical to Eastman's operations and that of the entire chemical industry. Energy prices have been extremely volatile. This volatility impacts all aspects of our business, from forecasting to product pricing to project financial evaluations. Eastman supports domestic energy policies that foster a diverse and inexpensive supply of energy generated from a broad spectrum of domestic sources, as well as expanded energy research, development and deployment. Such policies should incent energy efficiency including the cogeneration of steam and electricity (also known as Combined Heat and Power, or CHP), which Eastman has practiced for more than 80 years. Eastman has been an ENERGY STAR® Partner since 2008 and has been named ENERGY STAR Partner of the Year five consecutive years, achieving Sustained Excellence in 2014, 2015 and 2016. In addition, we partner with the Department of Energy through the Better Buildings, Better Plants Program and have committed to a 20% reduction in energy intensity by 2020 from a 2008 baseline.
- Chemical management/Toxic Substances Control Act (TSCA) — Eastman supports improvements to regulations governing chemicals and products to promote enhanced protection of human health and the environment. The Frank R. Lautenberg Chemical Safety for the 21st Century Act is an important step forward in strengthening our nation's chemical control laws in a way that protects American families and the environment and restores confidence in the safety, innovation and leadership of American chemical companies like Eastman.

Eastman works with several trade associations engaged in lobbying efforts. Eastman also employs internal lobbyists and contract lobbyists at both the state and federal levels to interact with public officials on these important issues. Those individuals spend most of their time educating members of state and federal legislatures and their staffs on the potential impact that public policy decisions could have on Eastman's businesses. Eastman complies with all requirements for reporting lobbying activity with the federal government and with state governments in states where required. The quarterly reports filed with the federal government are available online at http://lobbyingdisclosure.house.gov/. In 2015, Eastman reported to the Internal Revenue Service that the company spent $2,052,267 on state and federal lobbying activities in the United States.

Global Reporting Initiative appendix *(continued)*

SO6 Value of contributions to political parties

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

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

In 2015, EastmanPAC contributed $213,500.00 to state and federal candidates in the U.S. No political contributions are made to entities outside the U.S. Eastman works with an outside vendor to file all reports and to make sure all contributions comply with state and federal campaign finance regulations. All of EastmanPAC's Federal Election Commission (FEC) filings are available online at www.fec.gov. State disclosure reports are also available by visiting the state campaign finance websites in Alabama, California, Massachusetts, Tennessee and Texas. In states where the law allows corporate contributions, Eastman supports state candidates. Corporate contributions to state candidates in Louisiana, Tennessee and Virginia totaled $32,250 in 2015. The federal government requires all registered lobbyists to report personal campaign contributions semiannually. Each year, Eastman employees who meet the requirements file the necessary reports. These reports are available online at http://lobbyingdisclosure.house.gov/.

Sustainability Report 2016

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