Sustainability at Eastman

Gaining momentum

2015 Sustainability Report

Covering the period January–December 2014
About this report

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

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

**Mark Costa, Chairman and Chief Executive Officer**

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

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

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

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

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

Godefroy Motte, Chief Sustainability Officer

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

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

How are you embedding sustainability across the company as you continue to grow and acquire new sites?
In 2014, we acquired a number of new site locations, most recently being the acquisition of Taminco, which added an alkylamine stream to Eastman’s portfolio. With that comes the addition of a new macro trend that drives our business decisions — feeding a growing population. Many of Taminco’s products will help meet needs in the food, feed and agriculture markets.

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

What are the major risks or opportunities facing your company and industry and how does that relate to your business strategy?
Consumers are looking for value. We, as consumers, all want a better product, but we are not necessarily willing to pay a higher price. If we see added value around safety, health or performance, however, then we may pay more. Innovating sustainable solutions costs and we have to manage costs to fund innovation.

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

A primary role sustainability serves at Eastman is to provide the lens by which we identify challenges and assess our risks and opportunities. And we leverage our stakeholder engagement process to identify the most relevant issues from the list of risks and opportunities. These challenges are complex and global, requiring commitment across the company, and oftentimes along the value chain, to drive change. Throughout this report, you will find examples of the progress we have made as well as areas where we have opportunity to improve.

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

Four in a row!
Eastman has once again been recognized as an ENERGY STAR® Partner of the Year.
Sustainability highlights

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

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

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

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**Key:** Three pillars of sustainability
- Sustainable growth
- Improved footprint
- Social investment
Eastman is a global specialty chemical company that produces a broad range of products found in items people use every day. With a portfolio of specialty businesses, Eastman works with customers to deliver innovative products and solutions. Founded in 1920, today we are a $9.5 billion business with approximately 15,000 global employees. Headquartered in Kingsport, Tenn., USA, Eastman operates 50 manufacturing sites in 14 countries, serving customers in approximately 100 countries around the world. Site profiles and specific information about each of our facilities can be found by visiting Eastman Worldwide.

In 2013, Eastman launched a major economic development initiative, “Project Inspire,” including a new Corporate Business Center, scheduled to be completed in 2015.
How we operate
Eastman serves our customers through five business segments

Eastman currently operates five business segments — Additives & Functional Products, Adhesives & Plasticizers, Advanced Materials, Fibers, and Specialty Fluids & Intermediates. A leader in attractive niche markets, two-thirds of our sales revenue is from product lines in leading market positions. With a continued focus on emerging markets, more than half of Eastman’s sales revenue comes from outside North America.

5 business segments

Additives & Functional Products
Adhesives & Plasticizers
Advanced Materials
Fibers
Specialty Fluids & Intermediates
Strength through diversity
End market and geographic diversity contribute to consistent, strong performance

2014 sales revenue by region

- **North America**: $4,384MM (46%)
- **Europe, Middle East & Africa**: $2,091MM (22%)
- **Asia Pacific**: $2,540MM (27%)
- **Latin America**: $512MM (5%)

2014 sales revenue by market

- **Agriculture**: 2%
- **Energy/Fuels/Water**: 3%
- **Electronics**: 3%
- **Other**: 3%
- **Personal Care / Health & Wellness**: 7%
- **Durable Goods**: 7%
- **Industrial Chemicals & Processing**: 11%
- **Tobacco**: 15%
- **Consumables**: 15%
- **Building & Construction**: 16%
- **Transportation**: 18%
Driving results, delivering value

At Eastman, we remain committed to delivering consistent, superior value for all of our stakeholders. We are focused on driving growth through innovation, productivity and acquisitions. At the heart of this growth platform is sustainability.

Winning with the customer through innovation

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

Strengthening our environmental commitment through productivity

Productivity projects across the company have not only generated significant savings over the past year, they are also helping us identify and remove waste, refine processes, and increase yields, all of which maximize earnings potential and minimize environmental impact. In 2014, we made significant process improvements and developments, enabling our manufacturing operations to account for approximately 40 percent of our productivity savings for the year. Additionally, the company exceeded every key productivity target and we have set aggressive goals for 2015.
In 2014, Eastman’s Chestertown site implemented a productive, long-range solution for its wastewater treatment facility following a treatability study. The facility employs microorganisms, commonly referred to as simply “bugs,” that convert wastewater to clean water through a biological treatment process. These bugs are highly sensitive to temperature, pH, food they receive and other variables. If any of these factors change considerably, the microorganisms do not function as expected.

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

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

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

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

Knowlton Technologies, LLC

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

Knowlton Technologies offer tunable fiber properties of size, shape and material that provide wet-laid nonwoven producers new competitive advantages.
Leveraging acquisitions to improve our portfolio, continued

Commonwealth Laminating & Coating, Inc.

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

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

Aviation turbine oil business

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

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

Taminco Corporation

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

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

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

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

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

Crop protection: With a growing population and growing scarcity of land, crop protection products are becoming increasingly important. Taminco’s crop protection business produces alkylamine derivatives that are used directly in agricultural end markets. These products are designed to protect crops from fungal diseases and to increase yields. Crop protection is now part of the Additives & Functional Products business segment.
Known as T-CARE, Taminco’s sustainability program encompasses the triple bottom line — environmental care, social responsibility and sustainable development — aligning directly to Eastman’s existing sustainability strategy. Taminco’s T-CARE commitment demonstrates a focus on:

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

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

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

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

As we move forward with the Taminco integration, we will determine how the sustainability strategies will be implemented and use this year to harmonize our corporate goals.
Corporate governance
Unwavering commitment to ethics and integrity drives business results.

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

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

Eastman's decisions and actions at the Board, management and individual employee levels are rooted in these brand beliefs and core values, including safety and wellness, customer focus, innovation, diversity and inclusion, and sustainability. Living by these principles enables the men and women of Eastman to consistently deliver value to our customers and stockholders while also ensuring a positive future for Eastman team members and a culture where integrity is of utmost importance. As the new name implies, we believe our culture is a key to our competitive advantage.

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

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

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

Current Council members:

- **Etta Clark**, Vice President, Global Public Affairs and Policy
- **Mark Cox**, Senior Vice President, Chief Manufacturing and Engineering Officer
- **Steve Crawford**, Senior Vice President and Chief Technology Officer
- **Lucrece Foufopoulos**, Vice President, Marketing, Sales and Pricing
- **David Golden**, Senior Vice President, Chief Legal Officer and Corporate Secretary
- **Godefroy Motte**, Senior Vice President, Chief Regional and Sustainability Officer
- **Jennifer Stewart**, Vice President, Corporate Innovation

To learn more about Eastman’s Sustainability Council, visit [www.eastman.com/sustainability](http://www.eastman.com/sustainability).
Advocacy across the industry

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

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

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

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

— Godefroy Motte, Senior Vice President, Integrated Supply Chain, Chief Regional and Sustainability Officer
Responsible Care Global Charter

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

EcoVadis Improvement Tracking

Eastman received a Gold CSR Rating in 2014 from EcoVadis Sustainable Supply Management, an organization aimed at improving environmental and social practices of companies by leveraging the influence of global supply chains. Achieving a Gold CSR Rating requires a score of greater than 62/100 on a comprehensive assessment of the company’s supply chain management and corporate social responsibility policies and practices. EcoVadis and Together for Sustainability collaborate to provide TIS members and their suppliers a platform to monitor progress and improvements of sustainability practices along the supply chain.

World Business Council for Sustainable Development

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

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

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

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

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

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

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

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

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

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Scorecard

Next-generation goals that raise the bar, focus our efforts and keep our eye on the “big picture” targets

Sustainability 2015
Gaining momentum

Goals and progress

**Sustainable growth**

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<th>Sustainable growth</th>
<th>Improved footprint</th>
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<td>Ensure two-thirds (%) of revenues from new product launches are advantaged on assessed sustainability criteria by 2015</td>
<td>Reduce energy intensity by 20% by 2020</td>
<td>Committed to an injury- and incident-free workplace</td>
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<td>Develop new businesses utilizing renewable feedstocks by 2020</td>
<td>Reduce GHG intensity by 20% by 2020</td>
<td>Leverage academic partnerships and continue to invest at least one-third (%) of our company contributions to promote educational excellence</td>
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<td>Complete LCAs on all new product family launches through 2015</td>
<td>Reduce hazardous waste intensity by 15% by 2020</td>
<td>Increase utilization of preventive services by employees and spouses in North America by 15% by 2017</td>
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**Goal**

**Progress**

In our previous sustainability reports, Eastman outlined sustainability goals focused on economic, environmental, and societal improvements. Click here for updates on these commitments.
**Sustainable innovation**

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

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

**Amphora™ 3D polymer**

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

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

**Eastman VersaBond™ plasticizer**

Replacement for phthalate-based plasticizers in polysulfide sealants

- Phthalate alternative
- Regulatory clearance

- 3D printing applications
- Additive manufacturing
- Sealants for insulated glass
## Sustainable attributes

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### Eastman Versafix™ plasticizer

**Sustainable attributes**

- Designed especially for water-based adhesives applications
- Phthalate alternative
- Regulatory clearance
- Allows for reduced energy costs for manufacturers due to increased production line speeds and lower processing temperatures

**End-use product examples**

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

### Eastman Spectar™ Stratus copolyester

- LED light-diffusing technology
- Chemical resistance
- Process sustainability
- GREENGUARD Indoor Air Quality Certified®
- Design flexibility
- Durability
- High light transmission
- Extruded and injection molded light fixtures
Sustainability 2015

Gaining momentum

Changing the chemistry of clean

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

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

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

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

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

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

— Bob Stahurski, President and CEO, Nyco Products Company
Sustainably advantaged products, continued

Sustainable innovation ... an asset of acquisitions

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

SunTek® window films

The SunTek® line of window films has expanded Eastman’s portfolio of sustainable window film offerings for the automotive, architectural, paint protection, and safety and security markets.

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

Taminco brings a history of sustainable innovation

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

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

TamiSolve® NxG As the market trend continues to shift to safer, sustainable chemical alternatives, Taminco has developed TamiSolve® NxG, a next-generation, high-performing, nonreprotoxic solvent. TamiSolve® NxG is recommended for use in applications such as specialty polymer coatings, microelectronics manufacturing, paints, the production of pharmaceuticals, and agrochemical formulations.
Eastman 168™ non-phthalate plasticizer celebrates 40 years.

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

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

Today, brands are using Eastman 168 in:
- Automotive applications
- Flexible PVC
- Flooring and interior surfaces
- Gaskets, hoses, and tubing
- Latex sealants
- Medical devices and packaging
- Pressure sensitive adhesives
- PVC plastisol sealants
- PVC plastisols
- Wire and cable

Collaboration story

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

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

“We first met with Eastman in 2013 to discuss the use of their plasticizer in our ducks and the assistance they could offer to support our campaign. This was the start of a fantastic partnership. Their plasticizer has helped to improve our manufacturing, and they have provided marketing support, specifically with the development of an exciting new mobile game. The ducks continue to raise money to support disadvantaged children and young people across Europe, and we are very grateful to Eastman for their continued support.”

— Simon Sheehan, Director, DM Thomas Foundation for Young People
Sustainable collaborations, continued

Reduce, reuse ... regrind

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

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

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

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

— Greg Dubly, General Manager at DSI Plastics

We understand the growing need to assess the full life cycle of our products, from natural resources to consumer use and end-of-life phases.
Sustainability 2015

Gaining momentum

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Recognizing heroes in innovation

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

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

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

Skydrol® goes the distance

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

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

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

Earning a seal of approval
LLumar® window films was recognized in 2014 with the British Skin Foundation’s (BSF) seal of approval. Following the success of the Skin Care Foundation endorsements in the United States, Eastman's performance films team sought out a similar collaboration for the European region. The British Skin Foundation raises money and funds research to find cures for skin disease and cancer. They also independently review the research that companies undertake to ensure their products are not detrimental to the user’s skin health. LLumar provides a screening of 99.9 percent of UVA and UVB rays without reducing visibility. Following validation by a BSF consultant and panel review, LLumar is the first window film to be endorsed by BSF.

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

—Pete Sigmon, Vice President of Innovation, Shaw Industries
Leveraging science to drive change

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

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

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

Our mission is to lower emissions. Meet the woman who’s helping us do that in China.

Laura Hu
Director, Government Affairs, Asia Pacific

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

At Eastman, we’re challenged every day to provide the most sustainable solution to our clients. Tell us what you’re working on. Make a difference. Share your story: myeastman/myinsight

This poster is part of our employee engagement campaign to educate viewers and expand the definition of sustainability.

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

Sustainability 2015
Gaining momentum

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

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Global Environmental Affairs

Eastman’s sustainability strategy encompasses the triple bottom line, ensuring that we remain focused on making the world a better place, not only through our innovative products but in the way we manage our resources. We continuously strive to protect the environment in the communities where we operate, as well as through understanding the environmental impact of our products. As a manufacturer of chemicals since 1920 and a Responsible Care® company for more than 25 years, we have comprehensive guidelines and processes in place for reducing energy usage and minimizing our environmental footprint.

Eastman’s Global Environmental Affairs team leads the charge for Eastman’s environmental focus. Through their work each and every day, Eastman maintains operations and provides expertise and insight across the value chain. Guided by Eastman’s environmental policy, the Global Environmental Affairs team delivers compliance and insight to maintain sustainable operations and continually make improvements to Eastman’s products and processes. The expertise of this global team enables Eastman to be a responsible environmental steward while minimizing the company’s footprint and conserving natural resources in a cost-effective manner. This team works tirelessly to understand and comply with an increasingly complex web of applicable environmental laws, regulations and policies. They also work to understand and proactively manage emerging issues, which allows Eastman’s businesses to focus on growth and innovation.

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

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

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

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

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

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

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

Energy

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

Through our Worldwide Energy Management Program, led by a full-time Certified Energy Manager, we continue to implement many successful energy efficiency projects that have helped reduce our energy intensity and overall emissions. A major contributing factor to our energy efficiency is our award-winning deployment of cogeneration, also known as combined heat and power (CHP). Using cogeneration enables us to convert more than 70 percent of the energy we obtain from fossil fuel into power and steam for our manufacturing processes.

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

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

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

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

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

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

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

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

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

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

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**Energy and emissions data**

| Total direct and indirect greenhouse gas emissions by weight (GHG = lb CO2 per lb of product sold) |
| 2012 | 2013 | 2014 | Goal |
| ![Graph](eastman.com/sustainability) |

| SO2 air emissions by weight (tons) |
| 2012 | 2013 | 2014 | Goal |
| ![Graph](eastman.com/sustainability) |

| VOC air emissions by weight (tons) |
| 2012 | 2013 | 2014 | Goal |
| ![Graph](eastman.com/sustainability) |

| TRI air emissions by weight (Mlb) |
| 2011 | 2012 | 2013 | Goal |
| ![Graph](eastman.com/sustainability) |
Water

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

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

Water quality, recycling and pollution prevention

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

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

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

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

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

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

Meet the engineer in charge of “current” affairs.

Forty-five years ago, you wouldn’t find a bass in Zone 5 of the South Fork of the Holston River. You wouldn’t find so much as a darter. In 1965, there were only three kinds of fish in the bend of the river.

Today, you’ll find 29.

And chances are you’ll find lifelong Kingsport native and avid fisherman Richard Strang dropping in a line. As Manager of Environmental Affairs, he has played a significant role in restoring the river’s health.

We didn’t do it alone. It takes a cast of thousands to keep our rivers healthy—including you.

What are you doing to be more sustainable?
Make a difference. Share your story: myeastman/myinsight

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

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

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

### Reclaiming and recycling

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

### Diving into the trash

In 2014, Eastman’s Kingsport site recycled 2.6 million lb of cardboard, paper, and plastic that would have otherwise been disposed in a landfill. We know, however, that we have opportunity for progress. In our continued effort to improve our recycling processes, several Eastman team members from the Kingsport site organized a trash audit in the fall of last year. The team of volunteers engaged the Corporate Sustainability Team and expressed interest in reducing waste. To understand the amount of waste produced at the site and the amount of recyclable materials currently going to landfill, the team decided to manually sort nearly 1,000 pounds of trash — the equivalent of waste collected in a one-hour period at the site! Of the 1,000 lb, it was determined approximately 25 percent of the items thrown away could currently be recycled through existing channels, including cardboard, paper and plastic. Additionally, 54 percent of the items have the potential to be recycled if appropriate channels are established. As a result of the trash audit, the Kingsport site implemented single-stream recycling on Earth Day this year.
Making a difference along the supply chain

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

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

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

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

Winning gold for greener workplace practices

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

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

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

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

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

Global commitment to sustainability

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

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

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

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

Eastman’s Shanghai office (left and below) includes many features that contribute to the high-ranking LEED certification. Some of these attributes are detailed at left.
Sustainability 2015

Gaining momentum

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

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

Safety

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

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

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

**Eastman Basic Safety Expectations**

- Follow procedures and safety rules.
- Take time to do the job safely.
- Identify and eliminate hazards.
- Watch out for coworkers.
- Report all job-related injuries or illnesses.
- Use appropriate personal protective equipment.
Through the ALL IN FOR SAFETY effort, Eastman continues to emphasize a 24/7 safety focus. In 2014, efforts were targeted to raise awareness of the risks of distracted driving. Through the "Bag it Up" campaign, employees were provided with pouches to store their cell phones while driving as well as information concerning the hazards associated with distracted driving.

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

Over the course of 2014, Eastman also reinforced process safety through a series of "boot camps" at various sites around the world. These boot camps, developed by Eastman and the Center for Chemical Process Safety in 2012, are designed to educate engineering and manufacturing employees about process safety expectations at Eastman. The customized, three-day training course provides an opportunity to learn from Eastman’s long history and strong process safety culture. Throughout the training, examples and case studies from past events and experiences are discussed, including lessons learned and how those apply today. Since the inception of these boot camps in 2012, Eastman has provided 34 courses, reaching nearly 1,000 employees to date. Additionally, a four-hour overview session has been created to allow team managers to train operators at our manufacturing locations.
Transportation safety
When it comes to transportation safety, Eastman continues to see a decrease in the rate of transportation incidents. In 2014, Eastman once again achieved a best-ever performance of 0.09 distribution incidents per thousand shipments, exceeding the goal of 0.13.

2014: best-ever performance
0.09 distribution incidents per thousand shipments exceeding the goal of 0.13

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

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

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

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

Making an impact in 2014

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

Employee support programs

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

Tackling diabetes

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

Eastman team members from the Santo Toribio Laboratory reached “La Malinche,” the fourth highest mountain in Mexico — then proudly displayed their Eastman Tritan Nalgene water bottle at the summit.
As part of the new Healthier Tennessee initiative launched in 2014, Eastman has been designated as a “Healthier Tennessee Workplace” by the Governor’s Foundation for Health and Wellness. Healthier Tennessee was established to encourage and enable Tennessee residents, employers, schools, congregation and community partners to drive change to improve the overall health of the state. Workplaces may be recognized as a Healthier Tennessee Workplace after pledging commitment to health in the workplace and meeting requirements that demonstrate commitment to employee health.

"Given the efforts Eastman and its team members are making to create a healthier Eastman, it’s nice to receive this [Healthier Tennessee Workplace] recognition. The recognition is great, but what it means for our team members is what’s most important. We want all of our team members to enjoy long and healthy lives beyond their active careers and well into retirement years, and that’s what our efforts aim to achieve.”

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

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

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

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

Eastman’s societal strategy focuses on four core elements underscored by ethics and engagement:
• Environment
• Education
• Economic Development
• Empowerment

As we focus on making improvements around the world, we hold steadfast to our core values of honesty, integrity and ethical business practices. We strive to engage employees, communities, organizations and businesses as we move forward together, identifying projects and initiatives where we can make a difference.

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

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

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

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

Education

Eastman has a long history of advancing educational efforts in the communities where we operate. We believe creating quality science, technology, engineering, arts, and math (STEAM) opportunities for today’s youth will enhance the workforce of the future. The Eastman Foundation provides support through arts and cultural funds and councils, as well as performance sponsorships and performing arts organizations. We have set a corporate goal to leverage academic partnerships and continue investing at least one-third of our company contributions to promote educational excellence. In 2014, we allocated a significant portion of our corporate contributions to educational partnerships, including workforce development.

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

Goal met

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

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

- **RCAM:** The Regional Center for Advanced Manufacturing (RCAM) is an off-site teaching facility for Northeast State Community College located in Eastman’s headquarter community of Kingsport, Tenn. RCAM is “powered by the Advanced Manufacturing Partnership (AMP),” a public/private partnership focused on addressing workforce development issues related to advanced manufacturing. RCAM programs consist of job-related education and job-specific training, leading to eligibility for an Industrial Operations certificate from Northeast State. Many graduates of the program have advanced into management roles in Eastman’s manufacturing operations.

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

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**Be a catalyst**

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

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People and communities, continued
Empowerment

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

- **Engineers Without Borders (EWB):** Eastman fully supports opportunities for team members to be involved with organizations such as Engineers Without Borders, a national nonprofit organization that seeks to provide basic human needs like clean water, sanitation, and renewable energy in developing countries by collaborating with local partners to design and implement sustainable engineering projects. The EWB chapter based in Kingsport, Tenn., was founded in 2013 largely by Eastman engineers and scientists who have a passion for creating sustainable, positive change. The chapter has plans to partner with several rural communities in Latin America this fall that have a need for safe drinking water. Eastman will provide travel and medical arrangements for each of the travelers.

- **United Way:** Eastman team members have long been actively engaged in volunteer efforts provided by the company. For example, in 2014, employees at Eastman’s corporate headquarters in Kingsport contributed approximately 10,000 hours of company-paid time to volunteer for a variety of community projects, including United Way Week of Caring.

- **Eastman Professional Development Club (EPDC) and Young Eastman Professionals (YEP)**
Engaging our employees to make a difference

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

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

Grabbing attention. Getting the message out.

In 2014, Eastman’s corporate sustainability team initiated a creative, personalized employee engagement campaign to educate viewers and expand the definition of sustainability. Sustainability is often linked to environmental metrics and efforts or environmentally focused products. The team wanted to help employees see the spectrum of sustainability, from the obvious examples such as recycling to perhaps the less obvious examples such as educational investment. Through a series of posters, banners, table-top collaterals and elevator clings, faces and stories of Eastman team members from around the world began to infiltrate the halls and elevators of our sites and offices. The campaign shares examples of how each person is sustainably minded at work and at home. It also encourages employees to share their stories and examples for a chance to be featured on future collateral pieces. As the campaign got underway, the team learned of many additional examples and developed a list of new stories to share.
Recognizing employee engagement

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

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

Additionally, Mr. Motte recognized the St. Gabriel site manager and his team with the Best Safety Performance award. This marks the second consecutive honor for the St. Gabriel team as they continue their emphasis on safety as part of the company culture. As we move forward with integration of Taminco, we will determine how programs such as the T-Care Awards will be implemented in the combined company.

Engaging families and communities

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

In June of last year, Eastman’s Suzhou site became the first company in the Suzhou Industrial Park to proactively host an “Open to the Public Day” for the local community, welcoming government officials and 30 area residents to tour the plant. Open to the Public Day is a key program of the Responsible Care Beijing Manifesto, which Eastman signed with the Association of International Chemical Manufacturers (AICM) in 2013.
People and communities, continued

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

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

— Orlando Ramos, Commissioner for the City of Springfield

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

Catching team members green handed
To celebrate Earth Day 2014, Eastman’s corporate sustainability team led an initiative to catch Eastman team members in the act of being sustainable. Throughout the day, team liaisons at various site and office locations surprised deserving team members with a “Caught Green Handed” T-shirt. Photos from around the globe filled Eastman’s intranet as we united employees worldwide in the celebration. Examples of small sustainable acts included recycling, turning off lights, drinking from reusable water bottles or coffee mugs and taking the stairs rather than the elevator.
## Sustainability 2015

**Gaining momentum**

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**Global Reporting Initiative (GRI)**

**GRI index**

**GRI appendix**
Global Reporting Initiative content index

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

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

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<td>affect variability</td>
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**Awards**

- The information provided is based on 2014 corporate data for the year ending December 31, 2014.

**Most recent report**

- Page 2
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**Reporting cycle**

- Annually

**Report questions**

- Page 4
- Godefroy Motte
  - Chief Sustainability Officer
  - Eastman Chemical Company EMEA B.V.
  - Fascinatio Boulevard 602-614
  - 2909 VA Capelle aan den Ijssel, The Netherlands
  - gmotte@eastman.com

**Process for defining report content**

- Page 2
- About this report

**Boundary of the report**

- Our report covers Eastman’s wholly owned operations, excluding those sites acquired in 2014. We are committed to include information on newly acquired sites within three years of acquisition.

**See Eastman 2014 Form 10-K, Part I, Item 2 for additional information on Eastman’s properties.**

**See Part II, Item 8 for more information on the company’s joint ventures and newly acquired sites.**

**Limitations on report scope**

- Within the context of the boundary of this report as defined in 3.6, there are no specific limitations.

**Basis for reporting that can significantly affect variability**

- The basis for reporting does not significantly affect the comparability from period to period.
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<td>Restatements</td>
<td>There are no restatements.</td>
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<td>None identified.</td>
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<td>GRI Index</td>
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<td>3.13</td>
<td>Assurance</td>
<td>Eastman did not obtain external assurance for the development of this report. However, Eastman has rigorous internal policies and practices that provide assurance about the accuracy of the content of this report. Additionally, Eastman’s internal auditors assess the information in conformance with standards set by the Institute of Internal Auditors (U.S.). Internal audit assesses the information contained in the report to ensure appropriate supporting documentation exists. Many of the financial data included are taken from the consolidated financial statements contained in the Eastman 2014 Annual Report. These financial statements are audited by Eastman’s independent registered public accounting firm, PricewaterhouseCoopers LLP.</td>
<td>Fully</td>
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<tr>
<td>4.1</td>
<td>Governance structure</td>
<td>Page 16</td>
<td>Corporate governance and code of business conduct</td>
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<tr>
<td>4.2</td>
<td>Chair of Board of Directors</td>
<td>Chief Executive Officer and director Mark J. Costa serves as Chairman of the Board.</td>
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<td>4.3</td>
<td>Independent directors, including presiding director</td>
<td>Of the 11 members of the Board of Directors, 10 are independent.</td>
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<td>4.16</td>
<td>Stakeholder engagement approach and frequency</td>
<td>Page 2 Determining report content Page 5 Stakeholder engagement</td>
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<td></td>
<td>We do not report detailed frequency of engagement by type or stakeholder group as it varies across the company and by stakeholder. This report provides an overview of Eastman’s approach to stakeholder engagement, including examples of engagement in 2014 as well as stakeholder feedback and input for this year’s report.</td>
<td></td>
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<td>4.17</td>
<td>Learnings from stakeholder engagement</td>
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<td>Financial implications due to climate change</td>
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<td>Coverage of defined benefit plan obligations</td>
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<td>Benefits at Eastman</td>
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<td>EC4</td>
<td>Significant financial assistance from government</td>
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<td>EC5</td>
<td>Range of wage ratios</td>
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<td>EC6</td>
<td>Spending on locally based suppliers</td>
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<td>Procedures for local hiring</td>
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<td>Life cycle assessments</td>
<td>Fully</td>
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<td>Responsible Care® Product Safety Advocacy</td>
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<td>Fully</td>
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<td>Supply chain management</td>
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<td>Overall</td>
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<td>EN4</td>
<td>Indirect energy use by source</td>
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<td>EN5</td>
<td>Energy conservation and efficiency improvements</td>
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<td>EN6</td>
<td>Initiatives related to renewable energy</td>
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EN7 | Initiatives to reduce indirect energy use | Page 37, Energy/emissions Due to Eastman’s extensive use of combined heat and power, indirect energy consumption is a small part of our energy requirements. We continue to look for ways to reduce our indirect energy demand and replace it with highly efficient combined heat and power. | Fully | 8, 9
EN8 | Total water withdrawal by source | Page 76, Appendix | Fully | 8
EN9 | Water sources significantly affected | Page 76, Appendix | Fully | 8
EN10 | Water recycled and reused | Eastman recycles/reuses approximately 720 million cubic meters of water per year. | Partially | 8
EN11 | Land in/adjacent to protected areas | Page 76, Appendix | Partially | 8
EN12 | Biodiversity impacts | Page 76, Appendix | Fully | 8
EN13 | Habitats protected or restored | Page 76, Appendix | Fully | 8
EN14 | Strategies/plans related to biodiversity | Page 78, Appendix | Partially | 8
EN15 | IUCN red list species in affected areas | — | — | —
EN16 | Direct and indirect GHG emissions | Page 39, Page 78, Air quality Appendix | Fully | 8
EN17 | Scope 3 GHG emissions | Page 78, Appendix | Partially | —
EN18 | Initiatives to reduce GHG emissions | Page 39, Air quality | Fully | 8, 9
EN19 | Ozone depleting substances | Page 78, Appendix | Partially | 8
EN20 | NOx, SOx and other air emissions | Page 39, Air quality | Fully | 8
EN21 | Water discharge | Page 79, Appendix | Partially | 8
EN22 | Weight of waste | Page 42, Waste management | Partially | 8
EN23 | Significant spills | Page 79, Appendix | Fully | 8
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<td>EN24</td>
<td>Hazardous waste</td>
<td>2014 hazardous waste indexed to production was 0.0063 kg waste/kg production, a 12 percent increase compared to our baseline of 0.005624 kg waste/kg production.</td>
<td>Fully</td>
<td>8</td>
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<td>EN25</td>
<td>Biodiversity value of water bodies and related habitats</td>
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<td>EN26</td>
<td>Initiatives to mitigate environmental impacts</td>
<td>Page 34 Environment, Product Safety</td>
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<td>7, 8, 9</td>
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<td>EN27</td>
<td>Products and packaging materials reclaimed</td>
<td>Page 43 Supply chain management</td>
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<td>EN28</td>
<td>Significant fines and sanctions</td>
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<td>EN29</td>
<td>Transportation impacts</td>
<td>Page 50 Transportation safety, Page 43 Supply chain management</td>
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<tr>
<td>EN30</td>
<td>Environmental protection expenditures</td>
<td>Environmental expenditures in 2014 including construction, operating, development and mandated remediation was $288 million (domestic), $27 million (international).</td>
<td>Fully</td>
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<td>HR5</td>
<td>Right to exercise freedom of association</td>
<td>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.</td>
<td>Fully</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>HR6</td>
<td>Incidents of child labor</td>
<td>Corporate governance and code of business conduct</td>
<td>Fully</td>
<td>1, 2, 5</td>
</tr>
<tr>
<td>HR7</td>
<td>Risk of incidents of forced labor</td>
<td>Corporate governance and code of business conduct</td>
<td>Fully</td>
<td>1, 2, 4</td>
</tr>
<tr>
<td>HR8</td>
<td>Security training</td>
<td>Security</td>
<td>Partially</td>
<td>1, 2</td>
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<td>Violations involving right of indigenous people</td>
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<td>HR10</td>
<td>Operations subject to human rights assessments</td>
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<td>HR11</td>
<td>Grievances and resolution</td>
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<td>Corruption</td>
<td>Responsible Care® Advocacy</td>
<td></td>
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<td>Public Policy</td>
<td>Corporate governance</td>
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<tr>
<td>Anticompetitive behavior</td>
<td>Corporate governance</td>
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<td>SO1</td>
<td>Community engagement and development</td>
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<td>People and communities</td>
<td>Community engagement</td>
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<tr>
<td>SO2</td>
<td>Risk assessment for corruption</td>
<td>Eastman conducts an annual risk assessment of 100 percent of our businesses, which includes risks relating to corruption.</td>
<td>Fully</td>
<td>10</td>
</tr>
<tr>
<td>SO3</td>
<td>Anticorruption training</td>
<td>Corporate governance Code of business conduct</td>
<td>Fully</td>
<td>10</td>
</tr>
<tr>
<td>SO4</td>
<td>Anticorruption actions</td>
<td>Where any incident of corruption was identified, appropriate disciplinary action was taken in conformance with applicable laws.</td>
<td>Partially</td>
<td>10</td>
</tr>
<tr>
<td>SO5</td>
<td>Public policy position</td>
<td>Page 80 Appendix</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>SO6</td>
<td>Value of contributions to political parties</td>
<td>Page 81 Appendix</td>
<td>Fully</td>
<td>10</td>
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<tbody>
<tr>
<td>SO7</td>
<td>Legal actions for anticompetitive behavior</td>
<td></td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>SO8</td>
<td>Fines and sanctions for noncompliance</td>
<td>Eastman is unaware of any significant fines in 2014 relating to noncompliance with laws and regulations.</td>
<td>Fully</td>
<td></td>
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</table>

#### Disclosure on Management Approach PR

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Customer health and safety</td>
<td>Product safety</td>
<td>Fully</td>
<td></td>
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<tr>
<td>Product and service labeling</td>
<td>Product safety</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>Marketing communications</td>
<td>Page 82 Appendix</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>Customer privacy</td>
<td>Code of business conduct</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>Compliance</td>
<td>Code of business conduct</td>
<td>Fully</td>
<td></td>
</tr>
</tbody>
</table>

### Report line Content

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<th>Reported</th>
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<tr>
<td>PR1</td>
<td>Life cycle assessment of health and safety</td>
<td>Page 33, Leveraging science to drive change — LCA</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>PR2</td>
<td>Noncompliance with regulations and codes during life cycle</td>
<td>Product safety</td>
<td>Partially</td>
<td>8</td>
</tr>
<tr>
<td>PR3</td>
<td>Product and service information per procedures</td>
<td>Product safety</td>
<td>Fully</td>
<td>8</td>
</tr>
<tr>
<td>PR4</td>
<td>Incidents of labeling noncompliance</td>
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<td>Partially</td>
<td>8</td>
</tr>
<tr>
<td>PR5</td>
<td>Customer satisfaction</td>
<td>Page 82 Appendix</td>
<td>Partially</td>
<td></td>
</tr>
<tr>
<td>PR6</td>
<td>Marketing and adherence to laws and standards</td>
<td>Page 82 Appendix</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>PR7</td>
<td>Incidents of noncompliance with marketing related regulations</td>
<td>Eastman is unaware of any significant fines in 2014 concerning marketing communications.</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>PR8</td>
<td>Customer privacy</td>
<td>We are not aware of any complaints regarding breaches of customer privacy or loss of customer data in 2014.</td>
<td>Fully</td>
<td></td>
</tr>
<tr>
<td>PR9</td>
<td>Noncompliance with regulations for use of products</td>
<td>Eastman is unaware of any significant fines in 2014 concerning the provision and use of our products and services.</td>
<td>Fully</td>
<td></td>
</tr>
</tbody>
</table>
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4.11 Precautionary principle
The core elements of the precautionary principle are reflected in our fundamental business processes. Eastman believes we have a responsibility to conduct our business activities in a manner that is protective of health and the environment. Corporate Guiding Documents such as our Code of Business Conduct and our Responsible Care® Pledge reflect our commitment to that belief. Those documents and supporting policies and procedures address our approach to the application of risk identification, assessment and management principles to our activities which is fundamental to application of the precautionary principle.

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

EC2 Financial implications due to climate change
Eastman is exposed to regulatory risks. We are a chemical manufacturing company and, as such, are an energy-intensive company with large carbon emissions. Generally, Eastman is no more at risk from climate change regulation than other energy-intensive industries. Regulatory constraints on carbon emissions can impact the development of new greenhouse gas (GHG) emitting processes and facilities for Eastman, as well as our customers and suppliers.

Emission standards or uncertainty about future standards may delay investments by our customers and, as a result, impact our future business opportunities. The direct impact of controlling CO2 emissions from electric power generation may impact the cost of electric power supplied to Eastman, our customers and suppliers. Climate change does not represent other risks or opportunities specific to Eastman. The company has diversified product offerings and serves broad markets and regions and tries to mitigate our exposure to swings in energy and raw material prices. These diversified product offerings and diversified customer base mitigate Eastman’s potential commercial impact.

Eastman complies with current regulation of GHG emissions in those countries that regulate with minimal financial impact to the company. Proposed legislation and regulations are evaluated and the impact on Eastman is estimated. We engage policymakers directly and through trade associations with the objective that any climate change legislation or regulation enacted will not have an adverse impact on the economy or create a competitive disadvantage.
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EC6 Spending on locally based suppliers
Eastman’s policy is to purchase products and services based on total value for the company. Factors that Eastman considers when making purchasing decisions include competitive pricing, quality of work and materials, timely performance and commitment to sustainability. Procurement strategies are continuously being developed and implemented to provide appropriate assurances of sources for important goods and services necessary to the company’s operations. Procurement strategies may include the development of a local supply base to ensure timely and reliable delivery. The following table summarizes the percentage of purchases from local suppliers by major plant sites. For United States locations, local is defined as within the state. For locations outside the United States, local is defined as within the country.

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

EC7 Procedures for local hiring
Given the large geographic footprint Eastman has within the U.S. and globally, recruiting and hiring strategies are typically focused on targeting talent at the local, regional, national and international levels. Although a majority of hiring is done at the local level, we as a company do relocate well over 100 new hires each year to an Eastman facility to begin their employment with the organization.

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

EN1 Materials used
Eastman is an integrated manufacturing company, purchasing basic feedstocks to feed three primary streams: olefins, polyesters and acetyls. Basic raw materials include ethane/propane for the olefin stream, paraxylene for polyesters, and coal as a major building block for acetyls. These building block materials are processed through various downstream processes to yield products that are sold as finished goods.

In 2014, major raw materials purchased, including feedstocks and materials consumed as fuel, were nearly 43.9 million tons. Eastman is beginning to implement and, in the future, will look to use fuel sources with lower emissions. We are currently in the process of converting the steam producing boilers at our Chestertown, Md., facility from combusting No. 6 fuel oil to propane, and at our Kingsport, Tenn., facility, we have begun converting a powerhouse that provides approximately 50 percent of the steam and electricity for site manufacturing from coal to natural gas combustion. We are also converting the coal fired boiler at our Springfield, Mass., facility to natural gas combustion.
EN2 Recycled input materials

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

• **Recycled acid**: Eastman purchases recycled acid for use as an internal feedstock or for resale as a feedstock to other manufacturers.

• **Recycled Saflex®**: Eastman assets associated with Saflex production recover waste Saflex sheets in the U.S. and European regions through a toll agreement with Soca.

• **Catalyst recycling program**: When possible, Eastman replaces spent catalysts with fresh catalysts, both of which contain varying amounts of precious metals. As the spent catalyst becomes available, the material is sent to catalyst refiners, who extract the precious metals from the spent material for reuse in the production of fresh catalysts. This recycling program helps reduce the amount of precious metals mined to satisfy global demand.

• **Other purchased materials** made with recycled materials include drums (steel, plastic, and fiber), bulk boxes, plastic liners and plastic and steel pails. In addition to purchasing feedstocks with recycled content, our Special Materials Team oversees the sale of Eastman’s waste streams to manufacturers who recover and convert these materials into useful products.

EN3 Energy use by source

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

EN4 Indirect energy use by source

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

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

• Since 2005, Eastman has participated in the European Union’s Emission Trading System (ETS), buying and selling emissions credits. As a result, Eastman has implemented many successful energy efficiency projects that have helped reduce our energy use and overall emissions.

• In addition to manufacturing initiatives, our employees have spearheaded a number of local energy-saving initiatives as well.

• Eastman has achieved about a 10 percent improvement in energy intensity since the baseline year of 2008. In 2014, Eastman expects that more than $30M would have been spent on energy if energy intensity had not changed since 2008 at current energy prices and production levels. (Energy intensity = MMBtu/1000 kg production)
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EN8 Total water withdrawal by source
For Eastman facilities, the majority of water for manufacturing use consists of withdrawals from adjacent surface waters. Purchases of water from utilities, third parties and groundwater withdrawal account for a less significant portion of total use. An estimated 645 million cubic meters of water was withdrawn, purchased or pumped in 2014 and greater than 90 percent of that water is returned to the source. The primary use of the water is for noncontact cooling.

EN9 Water sources significantly affected
Eastman’s withdrawals do not significantly affect any water source. Comprehensive river studies conducted by the Academy of Natural Sciences at our largest manufacturing facilities in Kingsport, Tenn., and Longview, Texas, confirm the continued and improving health of surface waters in the vicinity of our two largest operations. In 2014, we made an initial assessment of which sites are in high-risk water-stressed areas or are expected to be in water-stressed areas in the next 10 years. We are now beginning to discuss the assessment results with each site. Over the next several months, the team is focused on defining a corporate level strategy for water management and gaining a deeper understanding of the Eastman sites that are located in high-risk water-stressed areas.

EN11 Land in/adjacent to protected areas
As part of Eastman’s risk assessment and evaluation process for new facilities, consideration of potential impacts to the existence of local and regional sensitivities such as wetlands and wildlife habitat is considered.

Examples of Eastman’s sponsorships of local ecosystems include:

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

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

EN12 Biodiversity impacts
Eastman is not aware of any significant impacts on biodiversity in 2014. Since the 1960s, Eastman has partnered with the Academy of Natural Sciences to study the rivers upstream and downstream of our major United States manufacturing sites to ensure that our operations are not negatively impacting the environment. Two of the most extensive of these river studies are focused around the Kingsport, Tenn., and Longview, Texas, sites. The studies conducted in 2010 again confirmed in both cases that our operations do not adversely impact these water bodies. Additional studies are planned for fall of 2015 on the Sabine River, Texas, and 2018 on the Holston River, Tenn.

EN13 Habitats protected or restored
For more than 90 years, Eastman women and men have served our local communities. As part of that service, we enhanced, protected, promoted, and restored wildlife habitats on our plant properties and in our communities. Listed in the following are some of our nature-related activities:

• Eastman’s Texas Operations facility continues to maintain Corporate Lands for Learning (CLL) certification through the Wildlife Habitat Council. Texas Operations’ longstanding environmental education program provides site-based outdoor learning opportunities to numerous groups throughout Gregg and Harrison counties and beyond.

• The nature center at Texas Operations encompasses around 100 acres and includes a nature trail, several outdoor classrooms and a demonstration forest. There is also an outdoor amphitheater area and an observation beehive.
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- Our Demonstration Forest is recognized at both the state and national level. Eastman has “Tree Farm” status from the American Tree Farm System and is a Certified Forest Steward by the Texas A&M Forest Service. The demonstration forest is managed under the Stewardship Forest Management Plan developed by Texas A&M Forest Service. Forest Awareness Tours (FATs) are workshops held at our nature center using our outdoor classrooms, amphitheater, trails, demonstration forest, stream, and observation beehive. Visitors can spend anywhere from 2–6 hours rotating through different stations where they learn about a wide variety of environmental education topics from experts in the fields representing the following partner organizations: Texas A&M Forest Service, Natural Resource Conservation Services, Texas Parks and Wildlife Department, East Texas Beekeepers Association, Northeast Texas Field Ornithologists (NETFO), and Eastman employees.

- We work with Texas A&M Forest Service to host the annual Project Learning Tree® (PLT) Walk in the Forest for educators (both in-service and preservice). PLT is an award winning environmental education curriculum for educators of students pre-K through eighth grade.

- Texas Operations continues support of birding efforts at our facility and nature center. Bird counts occur throughout the year on our entire 6,000 acre site, not just at our Nature Center area. For the local birding organization, Northeast Texas Field Ornithologists, there are 2–3 counts during the year. Approximately 10 birders visit the property and count a variety of species (ranging from 16 to 65 different species). Each December, our facility is host to the city Christmas Bird Count where Eastman’s property represents about 15 percent of the area covered and over 90 percent of the species tallied in the city count. Over 100 species are usually identified each year.

- We continue to manage and maintain data on the deer population in the habitat area through techniques such as planting food plots and conducting deer surveys every other year. We work with the Texas Parks and Wildlife Department to analyze the data. Our most recent survey was conducted in 2014. Population has dropped over the past two surveys, which is desired as prior surveys showed an overabundance of deer.

- We continue support of the Honeybee Observation Hive, which offers visitors an opportunity to watch bees in their natural habitat. The hive is maintained by the East Texas Beekeepers Association.

- The nesting box management program is currently led by an Eastman employee (and scout leader) and his troop. Most of the boxes were built in 1999 by scouts. The troop cleans and repairs the boxes around the nature center and the plant site twice a year. There are currently around 35 boxes for both wood ducks and blue birds.

- The Eastman Foundation has been a partner to The Nature Conservancy since 1991 and, over the years, has donated more than $280,000. These funds have helped preserve Shady Valley, a rare high-elevation remnant of the last Ice Age, located in Johnson County in the northeastern corner of Tennessee, just outside Cherokee National Forest. Shady Valley has long been recognized as one of the Southern Appalachians’ most ecologically important areas. The valley was once covered with a network of sphagnum/cranberry peat bogs and white pine/hemlock forests, which supported a rich community of plant and animal life. To protect the wetland plants and animals from extinction, The Nature Conservancy purchased its first nature preserve in Shady Valley in 1979. Today the Conservancy owns four preserves and 705 total acres in Shady Valley, including 469 acres of mountain land and approximately 236 acres on the valley floor.

- For more than 45 years, Eastman has demonstrated a continuing concern for the health of aquatic life in the rivers near its manufacturing sites through its sponsorship of environmental studies conducted by The Academy of Natural Sciences. The studies document water quality and quantify the health and diversity of populations of plants, insects, aquatic invertebrates and fish within selected zones of the rivers. Academy researchers compare the results for each zone to those of the other zones to gauge the impact a variety of stressors may have on ecosystem “health” and compare the results of the current studies to previous Academy studies to understand changes over time. Eastman sponsored the Academy’s initial studies of the Holston River at its Kingsport site in 1965 and of the Sabine River at its Longview site in 1982. Additional studies were...
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EN14 Strategies/plans related to biodiversity

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

EN16 Direct and indirect GHG emissions

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

EN17 Scope 3 GHG emissions

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

EN19 Ozone depleting substances

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


• Sustrans, a movement to enable people to choose healthier, cleaner and cheaper journeys, was granted permission to build a safe, traffic-free part of National Cycle Route 4 on our Newport, South Wales, facility fields.

• We are a corporate member of Gwent Wildlife Trust, and 31 hectares of fields from our Newport facility are managed as a nature reserve. One of the U.K.’s rarest bumblebee species, the shrill carder-bee, has its main British stronghold in the Gwent Levels, including the reserve located at our Newport facility.

• Our Kuantan, Malaysia, facility supports and participates in Environmental Week held by the Department of Environment to promote public awareness of environmental protection. In the past, the site has coorganized and participated in a river cleanup and tree replanting at Balok River, Kuantan.
EN21 Water discharge
Eastman discharges process wastewater in accordance with applicable permits, licenses and agreements. The wastewater is either treated in Eastman-owned treatment facilities and discharged directly to surface waters or it is treated in Eastman-owned pretreatment facilities and is conveyed to third-party providers (utilities, municipalities, etc.) for additional treatment and/or discharge or it is conveyed directly to third-party providers (utilities, municipalities, etc.) for treatment and/or discharge.

EN23 Significant spills
In 2014, we had 44 reportable release events, a decrease of 20 percent compared to our baseline of 61. See www.eastman.com/sustainability for detailed charts.

EN28 Significant fines and sanctions
Eastman uses an internal reporting mechanism to ensure that all fines and penalties associated with noncompliance with environmental laws and regulations are captured in one place. This system applies globally and includes all fines and penalties of any size. For 2014, the company is not aware of any nonmonetary sanctions that should be reported.

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

LA1 Workforce by employment type

<table>
<thead>
<tr>
<th>Total workforce</th>
<th>Employment type</th>
<th>Employment contract</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,981 employees as of Dec. 31, 2014</td>
<td>Full-time: 97.9%</td>
<td>Permanent contract: 95.2%</td>
<td>NA: 77%</td>
</tr>
<tr>
<td></td>
<td>Part-time: 2.1%</td>
<td>Temporary contract: 4.8%</td>
<td>EMEA: 13%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AP: 8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LAR: 3%</td>
</tr>
</tbody>
</table>

LA2 Employee hiring/turnover

<table>
<thead>
<tr>
<th>Attrition by gender</th>
<th>Attrition by age</th>
<th>Attrition by region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male: 7.7%</td>
<td>Less than 30 years: 6.5%</td>
<td>NA: 7.1%</td>
</tr>
<tr>
<td>Female: 8.4%</td>
<td>30–50 years: 4.8%</td>
<td>EMEA: 6.7%</td>
</tr>
<tr>
<td></td>
<td>Greater than 50 years: 12.5%</td>
<td>AP: 16.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LAR: 10.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hires by gender</th>
<th>Hires by age</th>
<th>Hires by region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male: 6.7%</td>
<td>Less than 30 years: 28.7%</td>
<td>NA: 6.2%</td>
</tr>
<tr>
<td>Female: 7.3%</td>
<td>30–50 years: 6.3%</td>
<td>EMEA: 5.7%</td>
</tr>
<tr>
<td></td>
<td>Greater than 50 years: 0.9%</td>
<td>AP: 14.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LAR: 9.2%</td>
</tr>
</tbody>
</table>
LA5 Minimum notice periods for operational changes
Eastman deploys multiple information technology solutions (e.g., intranet, paging systems, voicemail, emergency alarm systems, etc.) to ensure prompt and effective communication to our employee groups. In the event of operational changes that involve a change in employment status, significant planning is completed to ensure employees are treated with the utmost respect and dignity. Labor and employment laws including but not limited to WARN Act, collective bargaining agreements, etc., are recognized and respected in all locations globally.

LA10 Employee training

<table>
<thead>
<tr>
<th>Employee category</th>
<th>Average training hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and management</td>
<td>32</td>
</tr>
<tr>
<td>Nonexempt (nonoperations)</td>
<td>12</td>
</tr>
<tr>
<td>Nonexempt (operations)</td>
<td>62</td>
</tr>
<tr>
<td>Technicians/technologists</td>
<td>25</td>
</tr>
<tr>
<td>Average for all categories</td>
<td>44</td>
</tr>
</tbody>
</table>

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.

SOS5 Public policy positions
In light of Eastman’s significant domestic presence, U.S. public policy is a factor in the company’s continued competitiveness. Eastman’s strong team of public affairs professionals and technical experts provides their insights and knowledge to public officials on the impact certain laws and regulations may have on Eastman’s future and the company’s ability to sustain and create jobs. The following areas were identified as issues of importance to Eastman:

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

- **Energy policy** — Energy and energy feedstocks are critical to Eastman’s operations and that of the entire chemical industry. Energy prices have been extremely volatile. This volatility impacts all aspects of our business, from forecasting, to product pricing, to project financial evaluations. Eastman supports domestic energy policies that foster a diverse and inexpensive supply of energy generated from a broad spectrum of domestic sources, as well as expanded energy research, development and deployment. Such policies should incent energy efficiency including the cogeneration of steam and electricity (also known as Combined Heat and Power, or CHP), which Eastman has practiced for more than 80 years. Eastman has been an ENERGY STAR® Partner since 2008 and has been named ENERGY STAR Partner of the Year four consecutive years, achieving Sustained Excellence in 2014. In addition, we partner with the Department of Energy through the Better Buildings, Better Plants Program and have committed to a 20 percent reduction in energy intensity by 2020.

- **Chemical management/Toxic Substances Control Act (TSCA)** — Eastman supports improvements to regulations governing chemicals and products to promote enhanced protection of human health and the environment. Any changes to TSCA should facilitate innovation and support the U.S. chemical industry’s efforts to be a world leader in developing new products that benefit society.

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

SO6 Value of contributions to political parties

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

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

In 2014, EastmanPAC contributed $160,250.00 to state and federal candidates in the U.S. No political contributions are made to entities outside the U.S. Eastman works with an outside vendor to file all reports and to make sure all contributions comply with state and federal campaign finance regulations. All of EastmanPAC’s Federal Election Commission (FEC) filings are available online at lobbyingdisclosure.house.gov. State disclosure reports are also available by visiting the state campaign finance websites in Alabama, Pennsylvania, Maryland, Massachusetts, Tennessee and Texas. In states where the law allows corporate contributions, Eastman supports state candidates. Corporate contributions to state candidates in Tennessee, Virginia, and South Carolina totaled $61,000 in 2013.

The federal government requires all registered lobbyists to report personal campaign contributions semiannually. Each year, Eastman employees who meet the requirements file the necessary reports. These reports are also available online at lobbyingdisclosure.house.gov.

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**Global Reporting Initiative appendix, continued**
Global Reporting Initiative appendix, continued

**Sustainability 2015**

*Gaining momentum*

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**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.

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**PR5 Customer satisfaction**

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

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

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

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

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

Environmental goals, continued

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

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

<table>
<thead>
<tr>
<th>Social investment</th>
<th>Progress</th>
<th>Progress details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain our strong commitment to an incident- and injury-free workplace with</td>
<td></td>
<td>We recognize the need to continue efforts to achieve our safety targets. We continue to focus our commitment on safety through emphasis on basic</td>
</tr>
<tr>
<td>continued goals and tracking:</td>
<td></td>
<td>safety expectations, demonstration of a leadership commitment to safety and working to enhance a strong and active safety culture.</td>
</tr>
<tr>
<td>• Corporate Injury and Illness Recordable Rates target &lt;0.35</td>
<td></td>
<td>2014 Injury and Illness Rate — 0.63</td>
</tr>
<tr>
<td>• Days Away from Work Rates target &lt;0.05</td>
<td></td>
<td>2014 DAW Rate — 0.17</td>
</tr>
<tr>
<td>• Process Safety target &lt;5 (incidents defined as per the American Chemistry</td>
<td></td>
<td>Process Safety Incidents in 2014 — 11 incidents</td>
</tr>
<tr>
<td>Council)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase utilization of preventive services by employees and spouses in North</td>
<td></td>
<td>We have increased utilization of preventive services in North America by 6% against our currently stated goal.</td>
</tr>
<tr>
<td>America 15% by 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Goals and progress, continued

### Societal goals, continued

<table>
<thead>
<tr>
<th>Social investment</th>
<th>Progress</th>
<th>Progress details</th>
</tr>
</thead>
</table>
| Engage globally in impactful partnerships that elevate:  
  • Education  
  • Environment  
  • Economic development  
  • Empowerment  
**Note:** Going forward, several of Eastman’s previously stated Social investment goals will be streamlined to reflect the focus of Eastman’s newly established Corporate Social Responsibility strategy. Along with the new goals aligned with our global CSR strategy, we are moving to a common goal year across as many of our sustainability goals as possible. Since many of our social investment commitments were met in 2015, we are setting our new goals in 2015 with a goal year of 2020. | 〇 | In 2014, Eastman established a Corporate Social Responsibility (CSR) team dedicated to embedding Eastman’s societal commitments globally. The goal of Eastman’s CSR strategy is to effectively use corporate resources and strategically partner with stakeholders and organizations to make a collective impact, focusing on the four core elements of environment, education, economic development and empowerment, underscored by ethics and engagement. Examples of our progress are shared in the People and communities section of this report. |
| Leverage academic partnerships and continue to invest at least one-third of our company contributions to promote educational excellence | ☑ | In 2014, the Eastman Foundation contributed more than 50% of its budget to promote educational excellence. |
| Continually improve diversity in our professional hiring pipeline to enrich our collective point of view, including U.S. percentages (where the majority of our employee base is located) for females (30%) and minorities (15%) | ☑ | In 2014, we exceeded our goals for female and minority hiring for business and technical (B&T) positions. In 2014, 38% of B&T hires were female and 23% of B&T hires were minorities. |
Goals and progress, continued

Societal goals, continued

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

New Needs Improvement On Track Met
Goals and progress, continued

Societal goals, continued

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