

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

Eastman is a global specialty materials company that produces a broad range of products found in items people use every day. With the purpose of enhancing life in a material way, Eastman works with customers to deliver innovative products and solutions while maintaining a commitment to safety and sustainability. The company’s innovation-driven growth model takes advantage of world-class technology platforms, deep customer engagement, and differentiated application development to grow its leading positions in attractive end-markets such as transportation, building and construction, and consumables. As a globally inclusive and diverse company, Eastman employs approximately 14,500 people around the world and serves customers in more than 100 countries. The company had 2020 revenues of approximately \$8.5 billion and is headquartered in Kingsport, Tennessee, U.S.A.

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

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**(C0.3) Select the countries/areas for which you will be supplying data.**

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

C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Financial control

C-CH0.7

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**(C-CH0.7) Which part of the chemicals value chain does your organization operate in?**

**Row 1**

**Bulk organic chemicals**

- Lower olefins (cracking)
- Methanol
- Polymers

**Bulk inorganic chemicals**

**Other chemicals**

- Specialty chemicals
- Specialty organic chemicals

**C1. Governance**

**C1.1**

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

**C1.1a**

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Director on board	The Environmental, Safety and Sustainability Committee (formerly named the Health, Safety, Environment and Security Committee) of Eastman's Board of Directors has oversight for environmental performance and environment, social and governance (ESG), including climate-related issues. The Committee is led by a designated Director and includes every member of the Board. The Committee routinely receives updates and presentations on climate-related risks and issues. In addition, the Board's Audit Committee – comprised of independent, non-employee Directors – has responsibility for Eastman's enterprise risk management (ERM) process which includes management of all risks, including climate-related risks. Eastman personnel assess climate-related risks and issues in conjunction with the Task Force on Climate-related Financial Disclosures (TCFD) framework and elevate those as appropriate for consideration as part of the ERM process. ***For example, in 2020, the Board's Environmental, Safety and Sustainability Committee considered and approved the Company's 2030 and 2050 climate goals which included reducing absolute emissions by one-third by 2030 and aspiring to carbon neutrality by 2050.

**C1.1b**

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding strategy</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Setting performance objectives</li> <li>Monitoring implementation and performance of objectives</li> <li>Overseeing major capital expenditures, acquisitions and divestitures</li> <li>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</li> </ul>	<Not Applicable>	<ul style="list-style-type: none"> <li>• Full Board reviews and guides strategy</li> <li>• Full Board reviews and guides major plans of action</li> <li>• Audit Committee of the BOD reviews and guides risk management policies</li> <li>• Full Board sets performance objectives</li> <li>• Finance Committee of the BOD oversees major capital expenditures, acquisitions, and divestitures</li> <li>• Environmental, Safety and Sustainability Committee and other committees as appropriate monitor and oversee progress against goals and targets for addressing climate-related issues.</li> </ul>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Eastman's Chief Sustainability Officer (CSO) is a member of the Executive Team and reports directly to the CEO. The CSO presents climate-related topics such as, for example, the company's climate goals and sustainability goals, to the Board's Environmental, Safety and Sustainability Committee. The CSO leads the company's Sustainability Council, and that council's supporting sustainability sub-councils represent diverse functions including energy management, innovation, technology and life cycle analysis, marketing and public communications functions.

Climate-related issues, along with circular economy, product and chemical management, environment, tax and trade issues, are monitored by the Issue Management Council which is comprised of a diverse, global team of cross-functional leaders from ESG, sustainability, circular economy, enterprise risk management (ERM), government affairs, public policy and emerging issues, sourcing and procurement, product stewardship and regulatory affairs, legal, Global Health, Safety, Environment and Security (GHSES), global environmental affairs, global trade compliance, and tax organizations. The Council also includes representatives from Europe, Middle East and Africa (EMEA) and Asia-Pacific (AP) and has direct linkages to Eastman's Executive Team, Board of Directors, and business units. The Council is also linked to the Sustainability Council through the latter's sub-council structure, as some of the Issue Management Council's issue teams are embedded in these sub-councils.

The corporate functions which comprise the Issue Management Council are directly aligned with the technology and manufacturing assets through Eastman's utility operations, business organizations, GHSES staff and product stewards. The team, which is supported by diverse emerging issue groups embedded in climate, environmental and sustainability working teams throughout Eastman, captures insights from these functions that lead to an improved understanding of the issues associated with emerging risks and opportunities to include climate-related issues. Climate-related risks are considered pursuant to the Taskforce on Climate-related Financial Disclosures (TCFD) framework. That framework established two broad categories of risks and several specific types of risk within those categories.

The Physical Risks category includes Acute and Chronic risks, and the Transition Risks category denotes the transition to a lower carbon economy and includes risks in the areas of Policy/Legal, Technology, Market and Reputation. Eastman published its first TCFD report in 2020 and company personnel are engaged with a third-party consultant to review scenarios that are consistent with the TCFD framework recommendations.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	Variable pay included in individual performance commitments with actual performance assessed in determination of annual cash.
Chief Executive Officer (CEO)	Monetary reward	Energy reduction target	Variable pay included in individual performance commitments with actual performance assessed in determination of annual cash.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	Variable pay included in individual performance commitments with actual performance assessed in determination of annual cash.
Chief Sustainability Officer (CSO)	Monetary reward	Energy reduction target	Variable pay included in individual performance commitments with actual performance assessed in determination of annual cash.
Other C-Suite Officer	Monetary reward	Emissions reduction target	Variable pay included in individual performance commitments with actual performance assessed in determination of annual cash.
Other C-Suite Officer	Monetary reward	Energy reduction target	Variable pay included in individual performance commitments with actual performance assessed in determination of annual cash.
All employees	Monetary reward	Energy reduction project	Managers have discretion to use Employee Team Recognition (ETR) cash awards to provide immediate reinforcement for energy efficiency improvements.
All employees	Monetary reward	Energy reduction target	Managers have discretion to use Employee Team Recognition (ETR) cash awards to provide immediate reinforcement for energy efficiency improvements.
All employees	Monetary reward	Efficiency project	Managers have discretion to use Employee Team Recognition (ETR) cash awards to provide immediate reinforcement for energy efficiency improvements.
All employees	Monetary reward	Efficiency target	Managers have discretion to use Employee Team Recognition (ETR) cash awards to provide immediate reinforcement for energy efficiency improvements.

## C2. Risks and opportunities

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### C2.1

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#### (C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

### C2.1a

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#### (C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Used for business planning and risk evaluation
Medium-term	3	10	Applicable to strategy development
Long-term	10	30	Capital projects are typically evaluated for a long-term asset life

### C2.1b

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#### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

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

### C2.2

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#### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

##### Value chain stage(s) covered

Direct operations  
Upstream  
Downstream

##### Risk management process

Integrated into multi-disciplinary company-wide risk management process

##### Frequency of assessment

More than once a year

##### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

##### Description of process

Eastman's process for identifying and assessing climate-related risks and opportunities is coordinated by a working team with guidance from the Executive Team and oversight by the Board of Directors. Eastman assesses climate-related risks in conjunction with the TCFD framework. The company's Climate & Carbon Working Group and designated issue stewards support the issue management process by monitoring and managing climate-related public policy issues among other environmental, energy, sustainability, chemical management, tax, and trade issues. Issue stewards identify and track emerging climate-related risks and opportunities in an issue register and on a twice yearly basis score and prioritize these issues using a multi-faceted scoring methodology which considers such factors as urgency and importance, for example. Climate-related risks and opportunities which have substantive financial and/or substantive strategic impact are presented to the cross-functional Issue Management Council, and as appropriate, to business unit representatives. An update on public policy issues – to include climate-related ones – are provided to the Environmental, Safety and Sustainability Committee of the Board of Directors. The Issue Management Council, which is facilitated by the Public Policy & Emerging Issues Director, works to identify public policy positions and strategies that can mitigate these risks and seize opportunities across multiple functions at the company. The Climate & Carbon Working Group also supports the climate-related work of the Company's Sustainability Council through linkages to its Design, Environment and Natural Resources Sub-council structure. \*\*\*For example, future changes in legislation and regulation and related voluntary inaction associated with physical impacts of climate change may increase the likelihood that Eastman's manufacturing facilities will in the future be impacted by carbon requirements, regulation of greenhouse gas emissions, and energy policy, and may result in capital expenditures, increases in costs for raw materials and energy, limitations on raw material and energy source and supply choices, and other direct compliance costs. Accordingly, the Company monitors emerging trends such as carbon pricing and implemented an internal, advisory carbon price to illustrate the impact a future carbon pricing may have on capital projects if the United States adopts such a mechanism. Similarly, in an effort to address the physical impacts of climate change and to support new, more ambitious climate-related goals, the Company's process, design and engineering teams are working to increase Eastman's energy efficiency and reduce its GHG emissions by innovating and incorporating energy efficiency projects, process transformation projects, employing renewable energy options, and exploring and evaluating breakthrough energy technologies.

### C2.2a

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Processes in place in Global Public Affairs, Global Health, Safety, Environment, and Security and Global Product Stewardship & Regulatory Affairs to track regulations. Consideration in Enterprise Risk Management (ERM) process. ***For example, Eastman's Government Affairs and Public Policy & ESG groups have a process for identifying, tracking and managing climate-related bills in Europe and the United States on both the state and federal level (e.g., the EU Emissions Trading Scheme (ETS) and U.S. Regional Greenhouse Gas Initiative (RGGI)) given these measures' potential impact on Eastman's manufacturing sites.
Emerging regulation	Relevant, always included	Processes in place in Global Public Affairs, Global Health, Safety, Environment, and Security and Global Product Stewardship to track regulations. Emerging regulations are considered in our ERM process and by the Issue Management Council to determine which ones will be impactful. ***For example, the Company's Issue Management Council monitors, identifies, prioritizes and engages corporate functions, business units and Eastman's executive team on emerging public policy issues. Climate-related issues such as carbon pricing and environmental issues such as emissions regulations are included in the issue management process, along with circular economy opportunities. Additionally, in the EMEA region, the Company's Government Affairs, Public Policy & ESG groups monitor emerging climate-related regulations such as new European climate law under the Green Deal, carbon border adjustment measures and the EU taxonomy regulations, for example.
Technology	Relevant, always included	Processes are in place in Eastman's Technology organization to evaluate existing, emerging, and breakthrough technologies for climate mitigation. Consideration in ERM process. ***For example, evaluations are conducted to determine potential opportunities for energy reductions and emission reductions. Opportunities to enhance product attributes to address climate mitigation are evaluated and approximately 80% of the Company's products have life-cycle assessments. The Company's goal is for 100% of its innovation pipeline to undergo sustainability assessments, and by 2030 have 80% of the innovation portfolio achieve an "advantaged" or "leader" rating. In addition, Eastman collaborates with the US Department of Energy to evaluate the potential of next generation options, such as nuclear energy, to meet the needs of industry.
Legal	Relevant, always included	Processes in place in the Law Department to evaluate climate risk for operations and businesses. Consideration in ERM process. ***For example, Eastman's Law Department monitors trends in legal liability and litigation risk associated with climate change. This process includes monitoring climate-related lawsuits filed against other corporations and managing the Company's potential legal exposure to climate-related matters.
Market	Relevant, always included	Through addressable market maps and business strategy. The impact of macro-trends are studied and directly guide Innovation investments to sustain and grow the business. Consideration in Enterprise Risk Management (ERM) process. ***For example, our Saflex™ PVB interlayers in the automotive sector enables lightweighting of vehicles and improvements in solar, heat and UV management. Our advanced automotive solar control glass made with XIR® automotive solar control technology makes it possible to achieve better fuel efficiency and reduce CO2 emissions. Our Saflex™ E Series interlayers are well tuned for the unique sound profile of EVs in the automotive industry.
Reputation	Relevant, always included	Considered in light of negative publicity, potential deselection and impact on communities, recruitment, and retention. ***For example, Eastman's Corporate Responsibility team focuses on four themes: Environment, Education, Economic Development and Empowerment. Climate-related risks are considered as part of goal setting in the Environment theme.
Acute physical	Relevant, always included	Crisis management plans and business continuity plans in place. Consideration in Enterprise Risk Management (ERM) process. ***For example, Eastman developed a natural hazard weather risk tool which was piloted at the Company's EMEA sites to identify the potential impacts of adverse weather at Eastman's facilities to improve climate related awareness, support strategic planning and risk prioritization.
Chronic physical	Relevant, sometimes included	Crisis management plans and business continuity plans in place. Consideration in Enterprise Risk Management (ERM) process. ***For example, Eastman engaged a scientific consultant to assess physical climate-related risks to a selection of the Company's potentially high-risk worldwide sites. That analysis estimated potential climate-related physical impacts based on a number of factors including projected mean temperature rise, increased extreme weather events and sea-level increase. The results of the research will inform a full climate-related scenario analysis.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Eastman's emissions in Europe are subject to the European Union's emissions trading system (EU ETS), which works on the 'cap and trade' principle. Given the European Commission's plans to further decarbonize as proposed in the EU Green Deal, to include carbon neutrality by 2050, the 'cap' will reduce over time and Eastman will have fewer free emissions allocations which will increase ETS compliance costs in years to come. Eastman and its facilities and businesses are subject to complex health, safety, and environmental laws, regulations and related voluntary actions, which require and will continue to require significant expenditures to remain in compliance with such laws, regulations, and voluntary actions. Unanticipated government enforcement action, or changes in health, safety, environmental, chemical control regulations and actions could result in higher costs.

**Time horizon**

Short-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1000000

**Potential financial impact figure – maximum (currency)**

9000000

**Explanation of financial impact figure**

Eastman's emissions in Europe are subject to the European Union's emissions trading system (EU ETS), which works on the 'cap and trade' principle. Given the European Commission's plans to further decarbonize as proposed in the EU Green Deal, to include carbon neutrality by 2050, the 'cap' will reduce over time and Eastman will have fewer free emissions allocations which will increase ETS annual compliance costs in years to come. If Eastman's emissions were fully exposed to the EU ETS, the potential financial impact could be in the range noted above which is an estimate of the full annual cost of complying with the ETS without free allocations.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

The cost of response to this risk is integrated in Eastman's risk management processes. The Board's Environmental, Safety and Sustainability Committee reviews with management and periodically reports to the Board on the Eastman's health, safety, environmental, and security assessment practices, on significant developments related to health, safety, and environmental effects that may impact the Company, and on its processes for complying with applicable health, safety, environmental, and security laws and regulations, and recommend changes in such practices or processes, where appropriate. The Committee also reviews and, where appropriate, makes recommendations to the Board regarding matters of public policy concerning health, safety, environmental, and security matters where government policies and programs directly impact the Company's flexibility or financial prospects. The Committee monitors applicable federal, state, and international legislative and regulatory initiatives. Eastman also has cross-functional working teams which monitor emerging trends such as carbon pricing. For example, Eastman implemented an internal, advisory carbon price to illustrate the impact a future carbon pricing may have on capital projects if the United States adopts such a concept, and multiple engineering and technology teams are working to increase Eastman's energy efficiency and reduce its GHG emissions.

**Comment**

The cost of management is integrated in other operations.

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Future changes in legislation and regulation and related voluntary actions associated with physical impacts of climate change may increase the likelihood that Eastman's manufacturing facilities will in the future be impacted by carbon requirements, regulation of greenhouse gas emissions, and energy policy that may result in additional and increased capital expenditures, increases in costs for raw materials and energy, limitations on raw material and energy source and supply choices, and other direct compliance costs. A price on carbon – whether in the form of a carbon tax or a via a cap-and-trade system – would increase direct costs for Eastman including through a likely increase in energy costs. The potential impact for Eastman would be most substantive in the United States, where approximately 80 percent of the company's carbon footprint is located. On the state level, Eastman is impacted by some increase in indirect costs associated with the Regional Greenhouse Gas Initiative's effect on energy producers in some U.S. states. Outside of the United States, emerging regulation on carbon pricing in China could impact Eastman's manufacturing facilities there if the regulation is expanded beyond the power generation sector to include other energy-intensive industries.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

8000000

**Potential financial impact figure – maximum (currency)**

45000000

**Explanation of financial impact figure**

Company analysis of the potential impacts of a regulated price on carbon are reflected in the estimate above and were based on review of various potential carbon price points against Eastman's emissions in the United States. The analysis also considered varying levels of free allocations in a potential regulated carbon pricing concept. Some public pressure to address climate change has increased federal and state-level government and private sector attention to placing a price on carbon emissions.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

The cost of response to this risk is integrated in Eastman's risk management processes. For example, the Company's Climate & Carbon Working Group formed a specialized team to analyze the financial impacts of a potential regulated price on carbon. The Board's Environmental, Safety and Sustainability Committee reviews with management and periodically reports to the Board on Eastman's health, safety, environmental, and security assessment practices, on significant developments related to health, safety, and environmental effects that may impact the Company, and on its processes for complying with applicable health, safety, environmental, and security laws and regulations, and recommends changes in such practices or processes, where appropriate. The Committee also reviews and, where appropriate, makes recommendations to the Board regarding matters of public policy concerning health, safety, environmental, and security matters where government policies and programs directly impact the Company's flexibility or financial prospects. The Committee monitors applicable federal, state, and international legislative and regulatory initiatives. Eastman also has cross-functional working teams which monitor emerging trends such as carbon pricing. For example, Eastman implemented an internal, advisory carbon price to illustrate the impact a future carbon pricing may have on capital projects if the United States adopts such a mechanism, and multiple engineering and technology teams are working to increase Eastman's energy efficiency and reduce its GHG emissions.

**Comment**

The cost of management is integrated in other operations.

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Eastman has operations in the United States near the U.S. Gulf Coast. The U.S. Gulf Coast is subject to extreme weather events such as hurricanes and severe winter storms which can have a negative impact on Eastman's operations at its Texas City and Longview, Texas sites, specifically. Disruptions could occur due to natural disasters, for example, or breakdown or degradation of transportation infrastructure used for delivery of supplies to the Company or for delivery of products to customers. Unplanned disruptions of manufacturing operations or related infrastructure could be significant in scale and could negatively impact operations, neighbors, and the environment, and could have a negative impact on the Company's results of operations.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

5000000

**Potential financial impact figure – maximum (currency)**

30000000

**Explanation of financial impact figure**

Eastman's Longview and Texas City, Texas manufacturing sites can experience outages due to extreme winter weather conditions and freezing temperatures. During such extreme weather events, state government in Texas has ordered all industrials in the state to curtail energy usage to the lowest possible power level and turn off production if feasible unless transporting gas or exporting power. Industry in the East Texas area has been asked to curtail electrical loads to support the Southwest Power Pool electrical network, which includes the Longview site. Certain raw material and energy sources used by Eastman, as well as sales of certain commodity products by the Company, are subject to price volatility caused in part by weather but also supply and demand conditions, economic variables and other unpredictable factors. The estimated total impact of all of these repercussions is reflected in the potential cost impact figure above.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

The cost of the response to the risk is integrated in Eastman's normal operations. Eastman continually assesses potential risks to employees, contractors and local communities. The company has emergency response policies and plans for each of our manufacturing site locations around the globe, including local, regional and corporate crisis management plans.

**Comment****C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Eastman has a unique platform of solutions to address the challenges of plastic waste in the environment with molecular recycling through our carbon renewal and polymer renewal technologies. Eastman's scale and integration provide a unique opportunity to accelerate the use of these advanced circular recycling technologies and make a meaningful positive impact on the environment. Carbon renewal technology is operated in Kingsport, Tennessee – home to the Company's largest manufacturing site and corporate headquarters. Eastman modified the front end of its acetyl and cellulosic production processes to accept waste plastic as a feedstock, reducing the amount of virgin fossil feedstocks required. Polyester renewal technology, another form of molecular recycling, allows us to divert a range of polyester plastic waste, which includes materials such as soft drink bottles, carpet, or even polyester-based clothing from landfills and incinerators. This goes beyond clear, single-use water bottles to include products such as colored plastic bottles and carpet fibers. Carbon renewal technology and polyester renewal technology have an improved carbon footprint compared to the use of fossil feedstocks, according to preliminary lifecycle analysis studies by Eastman scientists, positioning Eastman to be a leader in how the chemicals' industry addresses climate change.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

500000000

**Potential financial impact figure – maximum (currency)**

1000000000

**Explanation of financial impact figure**

Eastman anticipates its molecular recycling initiatives could contribute approximately \$500,000,000 to \$1,000,000,000 of new business revenue in the coming years. Eastman seeks to grow business revenue through innovation. An important vector of that growth will be realized through increased investments in the Company's circular economy technologies. Our Advanced Circular Recycling technologies, which find new uses for mixed plastics otherwise reaching "end of life" to advance the circular economy, align with our innovation-driven growth strategy and commitment to create value through sustainability. The Company views its Advanced Circular Recycling technologies as a game changer because they can provide an end-of-life solution for plastics that traditional mechanical recycling methods cannot process and are currently being landfilled and incinerated, including materials such as single-use packaging, textiles, and carpet.

**Cost to realize opportunity**

250000000

**Strategy to realize opportunity and explanation of cost calculation**

Eastman will invest approximately \$250 million in a new methanolysis facility, which will support Eastman's commitment to addressing the global waste crisis and to mitigating challenges created by climate change, while also creating value for our stakeholders, including benefits to the local economy such as jobs. Eastman's world class technology platforms form the foundation of sustainable growth by differentiated products through significant scale advantages in research and development ("R&D") and advantaged global market access. Investment in the Company's circular economy technologies is included in company R&D expenditures and will increase to support scaling up these technologies to represent a larger portion of the company's total operations. Future capital investments may be required to realize this opportunity.

**Comment**

Innovation is at Eastman's core and has guided the Company through its first 100 years. Activities to meet the opportunity associated with the Company's advanced circular economy technologies are not separated from the Company's other operations.

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Primary potential financial impact**

Returns on investment in low-emission technology

**Company-specific description**

Eastman's capital budget focused on energy efficiency projects continues to be supported by the Company's senior management and was \$6 million in 2020. Eastman's business strategy clearly reflects an emphasis on energy reduction. Since 2008, Eastman has improved energy intensity by approximately 13%. Eastman works to improve resource efficiency through process optimization, reuse of steam in production processes, and lighting projects in Company buildings.

**Time horizon**

Short-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

6235000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The potential financial impact figure represents annual cost savings from four energy efficiency projects underway or achieved in the last year alone. For example, these include process optimization, reuse of steam in the Company's production processes, and energy efficiency achievements in Company buildings through lighting projects.

**Cost to realize opportunity**

6000000

**Strategy to realize opportunity and explanation of cost calculation**

In 2020, Eastman is committed to reducing absolute greenhouse gas Scope 1 and 2 emissions by one-third by 2030 to achieve carbon neutrality by 2050. The Company's capital energy budget continues to be supported by upper management and was \$6 million for 2020. Eastman's business strategy clearly reflects an emphasis on energy reduction. Since 2008, Eastman improved energy intensity by approximately 13%. Eastman's energy efficiency program was recognized by the U.S. Environmental Protection Agency's ENERGY STAR® program as an eight-time "Partner of the Year." In addition, we are a Challenge Partner in the U.S. Department of Energy Better Plants Program. Both programs provide the opportunity to learn from and share with others to positively impact energy efficiency and climate change.

**Comment**

Cost to realize the opportunity includes investment required to support the energy efficiency programs in the last year.

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

Eastman's approach to mitigating climate change is multifaceted. The focus is on the Company's own environmental footprint to limit the energy used across our operations as well as the needs and expectations of the market, commercializing products that enable energy savings at the consumer level. Eastman is the world's largest producer of window-tinting films for the automotive market with applications of films like LLumar®, V-KOOL® and SunTek®. Eastman's LLumar®, V-KOOL® and SunTek® films can be applied to almost any building or vehicle window to reduce energy consumption, lower peak demand and decrease total carbon emissions. Independent energy audits have found that buildings retrofitted with LLumar can realize better HVAC efficiency, resulting in energy savings of 5%–15%. Saflex® PVB interlayers are polyvinyl butyral films designed for lamination between two sheets of glass. Like LLumar, Saflex Interlayers improve energy efficiency in both vehicles and buildings. Saflex Solar Connect, introduced in 2020, provides exceptional solar heat rejection and sound damping, which combine to make it particularly useful in electric vehicles where weight reduction from thinner glazing and reduced load on HVAC systems can have a direct impact on energy usage and vehicle range.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

100000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The potential financial impact figure noted above reflects the estimated revenue associated with this group of climate change related products.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

The cost to realize this opportunity is integrated in Eastman’s normal operations. Eastman’s world class technology platforms form the foundation of sustainable growth by differentiated products through significant scale advantages in research and development (“R&D”) and advantaged global market access.

**Comment**

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**C3. Business Strategy**

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**C3.1**

---

**(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

**C3.1a**

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**(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?**

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

**C3.2**

---

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

**C3.2b**

---

**(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?**

Eastman plans to utilize climate-related scenario analysis and entered contract negotiations with a third-party climate and sustainability consultancy to build on the early long-term climate impact assessment conducted by a scientist on a selection of company sites that were identified as potentially high risk to the effects of climate change. The results of that study will be used to inform a comprehensive climate-related scenario analysis that is consistent with the framework proposed by the Taskforce for Climate-related Financial Disclosures (TCFD). Eastman anticipates that implementation of the framework will be incremental, and the initial focus will be on capital expenditures. We expect the climate-related scenario analysis will be completed in 2022.

**C3.3**

---

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Eastman leverages a unique platform of solutions to address the challenges of plastic waste in the environment with molecular recycling, carbon renewal, and polyester renewal technologies. Eastman's scale and integration provides a unique opportunity to accelerate the use of these advanced circular recycling technologies and make a meaningful positive impact on the environment. The Company's products and services strategies are influenced by short (0-3 years), medium (3-10 years), and long (10-30 years) time horizons when considering climate-related impacts. ---For example: Tritan Renew is powered by this new recycling technology that transforms single-use waste into basic building blocks that are then used to make durable, high performance, food-safe materials. This process offsets the use of fossil fuels and lowers greenhouse gas emissions. Climate-related risks and opportunities such as natural resource efficiency and greenhouse gas reduction have driven several recent product development efforts. ---For example: • Eastman BioExtend™ 30 and BioExtend™ 30 HP antioxidant solutions were developed and are marketed to extend the shelf life of biodiesel and slow down the oxidation process. • Saflex® PVB interlayers, an advanced interlayer technology for laminated glass that brings safety, security, acoustic, UV screening and reduction in summer solar heat gain to automotive and architectural glazing. • Eastman Impera™ performance resins help optimize wet grip and rolling resistance for tires while meeting regulatory compliance with emerging labelling and performance requirements. • Eastman Tetrashield™ protective resin systems enable higher-solid coatings while maintaining excellent application parameters. This allows for more efficient film build, faster film drying, and ultimately a more efficient coating process.
Supply chain and/or value chain	Yes	Climate-related risks and opportunities are drivers behind the Company's efforts to assess the sustainability of its suppliers and encompass all three planning horizons (short (0-3 years), medium (3-10 years), and long (10-30 years)). ***For example, Eastman develops and executes seasonal energy sourcing strategies to mitigate the impacts of climate change and ensure a diverse supplier network for its critical raw materials.
Investment in R&D	Yes	Climate-related risks and opportunities have driven the Company's investment in R&D in circular economy technologies which have a lower GHG emissions footprint and provide a solution to plastic waste's impact on the environment. Climate-related risks and opportunities and their influence on investment in R&D is factored into all three-time horizons: short (0-3 years), medium (3-10 years), and long (10-30 years). ***For example, Eastman's methanolysis process, which uses plastic waste as the main feedstock, will not only reduce our use of fossil feedstocks, but also reduce greenhouse gas emissions. Eastman will invest approximately \$250 million in a new methanolysis facility, which will support Eastman's commitment to addressing the global waste crisis and to mitigating challenges created by climate change, while also creating value for our stakeholders, including benefits to the local economy such as jobs.
Operations	Evaluation in progress	Climate-related risks and opportunities for the Company's operations have influenced our strategy through the development of a natural hazard and weather risk tool. This tool is used to identify the potential impacts of adverse weather at Eastman's facilities to improve climate related awareness, support strategic planning and risk prioritization at the Company's manufacturing sites. The risk tool is currently being piloted across Eastman's EMEA facilities, with plans to potentially expand use to other regions in late 2021. Another example is Eastman's investment in GHG reduction, such as the conversion of boilers from coal to natural gas combustion - a cleaner energy alternative.

**C3.4**

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures	Eastman's Finance group, in collaboration with the Company's Public Policy & ESG team, implemented an internal carbon price (ICP) to illustrate the impact a future carbon pricing may have on capital projects if the United States adopts such a concept. Capital projects are typically assessed over a 7 to 12-year term with an option to consider as far out as a 25-year horizon. An example is the analysis and approval of a world-scale plastic-to-plastic molecular recycling plant, for which the ICP was factored into the project's financial analysis. The Company tracks and monitors prices on carbon for a number of countries around the world where its manufacturing facilities could be impacted.

**C3.4a**

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based)

**Base year**

2017

**Covered emissions in base year (metric tons CO2e)**

7710490

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2030

**Targeted reduction from base year (%)**

32

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

5243133.2

**Covered emissions in reporting year (metric tons CO2e)**

6372993

**% of target achieved [auto-calculated]**

54.2076849201542

**Target status in reporting year**

New

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

<Not Applicable>

**Please explain (including target coverage)**

In 2020, Eastman announced a goal of reducing its combined absolute Scope 1+2 GHG emissions by one-third by 2030, from a baseline year of 2017. The boundary of Eastman's Scope 1 and Scope 2 emissions are manufacturing sites where we have a controlling interest. Scope 1 and Scope 2 emissions have decreased by 5.8% compared to 2019 and have decreased by 17.3% compared the baseline year of 2017.

---

**C4.2**

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**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Net-zero target(s)

**C4.2c**

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**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

**Target year for achieving net zero**

2050

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Please explain (including target coverage)**

Eastman has publicly committed to Scope 1+2 carbon neutrality by 2050. To demonstrate our progress on the trajectory toward carbon neutrality, we have committed to a one-third reduction in absolute Scope 1+2 GHG emissions by 2030 as compared to a 2017 baseline of 7,710,490 metric tons of CO2 equivalents. Our execution plan to reduce our emissions is a multi-faceted strategy including energy efficiency projects, process transformation projects, employing renewable energy options, and exploring and evaluating breakthrough technologies.

---

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	15	
To be implemented*	2	11500
Implementation commenced*	5	15000
Implemented*	44	105000
Not to be implemented	9	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

1100

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

110000

Investment required (unit currency – as specified in C0.4)

740000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Motors and drives
---	-------------------

Estimated annual CO2e savings (metric tonnes CO2e)

1000

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

70000

Investment required (unit currency – as specified in C0.4)

100000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

100000

**Scope(s)**

Scope 1  
Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

6000000

**Investment required (unit currency – as specified in C0.4)**

4000000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

11-15 years

**Comment**

**Initiative category & Initiative type**

Energy efficiency in production processes	Reuse of steam
---	----------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

1000

**Scope(s)**

Scope 1  
Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

55000

**Investment required (unit currency – as specified in C0.4)**

75000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	Eastman's capital energy budget continues to be supported by upper management and was \$6 million for 2020. Eastman's business strategy clearly reflects an emphasis on energy reduction. Since 2008, Eastman has improved energy intensity by approximately 13%.
Employee engagement	To guide and direct corporate-wide energy efforts, an annual energy communications plan is developed and continually updated. To build support in energy management at all levels, the Global Natural Resources Team uses awareness campaigns. Eastman promoted employee engagement in energy through newsletters and videos sharing information on how employees can be more energy efficient, both at work and at home, as well as how saving water also saves energy. Investing in training included providing training to both operators and engineers on energy improvement opportunities regarding condensate and steam traps. Multiple classes on the company's energy and sustainability programs were also taught as part of the onboarding plan for new engineers.
Internal incentives/recognition programs	To motivate employees, recognition programs are used along with team celebrations and verbal and written reinforcement. Employees are motivated to contribute to company energy efficiency goals through a variety of venues including recognition for achievements in the company newsletter, individual awards, team celebrations, notes of reinforcement and nominal prizes for participation. Performance commitments of all personnel include goals and objectives for each year, and performance against these goals is a factor in determining compensation. Site energy champions are given MMBTU reduction goals for their site. These goals help Eastman achieve GHG reduction targets.
Compliance with regulatory requirements/standards	Current regulatory requirements reinforce fuel conversion that results in lower GHG. Eastman is subject to emissions trading schemes in Europe and the Republic of Korea, alongside additional legal compliance in Europe on energy efficiency.

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Company-wide

**Description of product/Group of products**

Alternative Methods of Supply – Several large global capacity oxo and acetyl derivatives

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (ICCA & WBCSD Chemical Sector guidelines: Addressing the Avoided Emissions Challenge)

**% revenue from low carbon product(s) in the reporting year**

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Calculated avoided emissions for Eastman's use of bilateral agreements to reduce logistical emissions associated with fulfilling international contracts. The reduction represented approximately 5% of the total cradle-to-customer carbon emissions for products sold using bilateral agreements.

**Level of aggregation**

Group of products

**Description of product/Group of products**

Performance films for automotive and architectural interlayers

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (ICCA & WBCSD Chemical Sector guidelines: Addressing the Avoided Emissions Challenge)

**% revenue from low carbon product(s) in the reporting year**

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Eastman is the world's largest producer of window-tinting films for the automotive market with applications of films like LLumar®, V-KOOL® and SunTek®. LLumar films applied to almost any window will boost performance by reducing consumption and peak demand. Professional energy audits estimate that buildings retrofitted with LLumar film could realize energy savings of 5 to 15 percent with improved HVAC efficiency and reduced carbon emissions. Studies have shown that V-KOOL films can lower indoor temperatures up to 11 degrees, which can contribute to reduced energy usage. Eastman also manufactures Saflex® PVB Interlayers, which are polyvinyl butyral films that are laminated between two sheets of glass. Like Eastman's LLumar product, Saflex Interlayers are useful in enhancing energy efficiency in vehicles and in buildings, both in residential homes and commercial architecture. Among the many applications for Saflex, one of the most notable is its wide use in automotive head-up display (HUD) systems; Saflex Interlayers enable images to be projected sharply onto vehicle windshields. Eastman's Saflex Solar Connect interlayer provides solar heat rejection while maintaining compatibility with infrared rain sensors and Orbis traffic camera systems. It is also a signal-friendly interlayer, meaning that it won't interfere with the function of electronic toll sensors, mobile devices or GPS. Solar Connect is an acoustic core layer between two solar-absorbing skin layers, improving sound damping and reducing the transmission of the sun's infrared radiation with minimal effect on visibility. This combination of properties are particularly useful in electric vehicles, where weight reduction from thinner glazing and reduced load on HVAC systems can have a direct impact on energy usage and vehicle range. This class of products has been assessed by Harmony Environmental and through internal studies to assess the avoided emissions of both automotive and architectural interlayers. While these studies do calculate avoided emissions for this class or product, they predate the "Addressing the Avoided Emissions Challenge" methodology and are instead comparative LCAs for various window systems. For architectural interlayers for example, heat-mirror insulate glass was the proposed solution and triple pane insulated glass was the comparative solution.

**Level of aggregation**

Company-wide

**Description of product/Group of products**

Circular Economy Development including CRT and PRT

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (ICCA & WBCSD Chemical Sector guidelines: Addressing the Avoided Emissions Challenge)

**% revenue from low carbon product(s) in the reporting year**

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Through re-engineering the front end of Eastman's operations, significant carbon savings are realized via the new reforming process and glycolysis, both of which yield intermediate products which have much lower carbon footprints than those produced via conventional means. Eastman conducts product Life-Cycle Assessments (LCAs) in compliance with ISO 14040 and ISO 14044.

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**Level of aggregation**

Group of products

**Description of product/Group of products**

Eastman Cellulose Esters

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Eastman has conducted internal LCAs on these products and determined they are low carbon compared to alternatives.)

**% revenue from low carbon product(s) in the reporting year****% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Eastman is the world's leading supplier of specialty cellulose esters, and this wide spectrum of products is one of Eastman's best and oldest sustainability stories – the company has been making cellulose esters for more than 85 years. The cellulose used in the Eastman materials are derived primarily from trees harvested from sustainably managed forests. The trees are sourced from suppliers in multiple geographic locations, complying with the standards of internationally recognized forest certification programs such as the Forest Stewardship Council® (FSC®) and/or Programme for the Endorsement of Forest Certification (PEFC). Eastman also holds PEFC Chain of Custody certification, a process to track forest products from their place of origin through all stages of transfer and production to the end product. In the process of converting trees to cellulose, little is wasted. Bark is removed from trees, and the wood pulp is purified, rolled, and shipped to Eastman. The rolled pulp is processed through cellulose esterification into cellulose ester powders, which are used in a wide variety of products—coatings, inks, adhesives, membranes, electronics, and more. Eastman conducts product Life-Cycle Assessments (LCAs) in compliance with ISO 14040 and ISO 14044.

---

**Level of aggregation**

Product

**Description of product/Group of products**

Eastman Naia™

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Eastman has conducted internal LCAs on these products and determined they are low carbon compared to alternatives.)

**% revenue from low carbon product(s) in the reporting year****% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

A fully traceable and sustainable fiber, Naia cellulosic fiber brings nature to fashion. Fashion designers around the world have high regard for Naia as a cellulosic yarn that can create comfortable, luxurious fabrics, and it is also produced from sustainably sourced wood pulp, with full transparency from tree to fiber. Naia is responsibly sourced from sustainably managed pine and eucalyptus forests and plantations to ensure no deforestation of protected forests. Great care is taken to produce Naia. The material has a low-impact manufacturing process that results in a low tree-to-fiber carbon and water footprint. Naia is also produced in a safe, closed-loop process where solvents are recycled back into the system for reuse. Naia™ has received the "OK biodegradable" and "OK compost" conformity marks from TÜV AUSTRIA, certifying that Eastman Naia™ is biodegradable and compostable. A fully traceable and sustainable fiber, Naia™ brings nature to fashion. Eastman conducts product Life-Cycle Assessments (LCAs) in compliance with ISO 14040 and ISO 14044.

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**Level of aggregation**

Product

**Description of product/Group of products**

Eastman Treva

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Eastman has conducted internal LCAs on these products and determined they are low carbon compared to alternatives.)

**% revenue from low carbon product(s) in the reporting year****% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

A cellulose-based bioplastic, Treva contains over 40 percent bio-content and thus delivers reduced environmental impact and high performance. With superior strength and chemical resistance, Treva is used in electronic displays, cosmetic packaging and premium eyewear. And this family of sustainable, cellulose-based bioplastic takes another step forward with the introduction of Treva Renew, which contains over 20 percent certified, mass balance allocated recycle content from Eastman's carbon renewal technology. Eastman conducts product Life-Cycle Assessments (LCAs) in compliance with ISO 14040 and ISO 14044.

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## C5. Emissions methodology

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### C5.1

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#### (C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

##### Scope 1

###### Base year start

January 1 2017

###### Base year end

December 31 2017

###### Base year emissions (metric tons CO2e)

6325630

###### Comment

In alignment with the Greenhouse Gas Protocol, Eastman routinely normalizes baseline year data by removing GHGs from sites divested since the baseline year and adding GHGs from sites acquired after the baseline year. No such significant changes occurred for our 2017 baseline, so the Eastman baseline matches that reported in our 2019 CDP disclosure. Eastman generates steam and electricity but does not consume all of the steam and electricity produced. Some of the steam is sold to third parties, and emissions associated with these sales are included in CDP reporting metrics according to CDP guidance. Emissions associated with electricity sold are not currently included in CDP metrics, but will be incorporated in future years.

##### Scope 2 (location-based)

###### Base year start

January 1 2017

###### Base year end

December 31 2017

###### Base year emissions (metric tons CO2e)

1384860

###### Comment

In alignment with the Greenhouse Gas Protocol, Eastman routinely normalizes baseline year data by removing GHGs from sites divested since the baseline year and adding GHGs from sites acquired after the baseline year. No such significant changes occurred for our 2017 baseline, so the Eastman baseline matches that reported in our 2018 CDP disclosure. Eastman generates steam but does not consume all the steam produced, some of the steam is sold to third parties and emissions associated with these sales are included in CDP reporting metrics according to CDP guidance.

##### Scope 2 (market-based)

###### Base year start

###### Base year end

###### Base year emissions (metric tons CO2e)

###### Comment

### C5.2

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#### (C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

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### C6.1

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

5001259

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

Eastman relies heavily on combined heat and power technology to efficiently produce power and steam for industrial processes. Power and steam generated in this way not only is more efficient than much of the US grid with a lower carbon footprint but minimizes distribution losses. Therefore, Eastman's relative share of Scope 1 versus Scope 2 emissions may appear to be inflated compared to other companies that may rely more on power from the grid.

**C6.2**

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**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

**Comment**

Eastman reports a location-based Scope 2 emissions. Scope 2 emissions are provided by the locations using standard emissions factors except as noted for fuel produced on-site.

**C6.3**

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**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

1371734

**Scope 2, market-based (if applicable)**

<Not Applicable>

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

**C6.4a**

---

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

Eastman's boundary is manufacturing sites where we have controlling interest. Non-manufacturing site such as sales offices and technical centers are excluded but would represent less than 1% of total emissions.

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Please select

**Explain why this source is excluded**

The Scope 2 emissions from non-manufacturing offices are not significant sources of emissions and would represent less than 1% of the total Scope 1 and Scope 2 emissions.

---

**Source**

Emissions from merchant sales to the grid were excluded.

**Relevance of Scope 1 emissions from this source**

Emissions are relevant but not yet calculated

**Relevance of location-based Scope 2 emissions from this source**

Emissions are relevant but not yet calculated

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Please select

**Explain why this source is excluded**

Eastman's representatives recently discovered potential changes that may need to be made to the Scope 1 and 2 classification of certain emissions and the inclusion of previously excluded emissions at one site. An evaluation of these findings is underway and any necessary corrections will be made in the 2021 CDP report.

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**C6.5**

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**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

9112623

**Emissions calculation methodology**

Cradle to gate carbon emissions for purchased raw materials are available for many commodity materials through LCA software such as GaBi. GaBi GWP factors were used to calculate the cradle to gate emissions for roughly 90% of the raw materials Eastman purchases by mass. The remaining 10% was extrapolated from this data assuming an average distribution of emissions.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

Emission factors were derived from GaBi software reflecting industry average rather than supplier-specific values.

**Capital goods**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

In order to evaluate the relevance of capital on Eastman's total footprint, GHG emissions were estimated based on capital goods expenses for FY2015. The impact of the activity was estimated using Carnegie Mellon's economic input/output (EIO) LCA tool (<http://www.eiolca.net/cgi-bin/dft/use.pl>). Because annual GHG emissions from purchased capital goods are estimated to be 200,000 tons of CO2, which is <5% of Eastman annual Scope 1, Scope 2 and Scope 3 emissions, it is reasonable to conclude that emissions from purchased capital goods are not relevant to this study.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

1524661

**Emissions calculation methodology**

Estimated utilizing the Quantis Scope 3 Evaluator tool provided by WRI, based on total emissions (Scope 1 & 2) in 2020.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

**Upstream transportation and distribution**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Eastman does not contract for and manage the upstream logistics, as it is handled by upstream suppliers as part of purchased goods.

**Waste generated in operations**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Insignificant compared to our global Scope 1 and Scope 2 CO2e emissions

**Business travel**

**Evaluation status**

Not relevant, calculated

**Metric tonnes CO2e**

1866

**Emissions calculation methodology**

Estimated utilizing the Quantis Scope 3 Evaluator tool provided by WRI, based on total mileage from Air Travels, Rental Cars, Rail travels and total Hotel nights in 2020. This number declined since 2019, primarily due to the limitation of non-essential travel (per COVID-19 guidelines).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

**Employee commuting**

**Evaluation status**

Not relevant, calculated

**Metric tonnes CO2e**

20400

**Emissions calculation methodology**

Estimated utilizing the Quantis Scope 3 Evaluator tool provided by WRI, based on an equivalent sized company (14,500 employees)

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

#### Upstream leased assets

##### Evaluation status

Not relevant, explanation provided

##### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

Eastman has very few upstream leased assets, and emissions are extremely small in comparison to overall corporate evaluation and measurement.

#### Downstream transportation and distribution

##### Evaluation status

Not relevant, explanation provided

##### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

As noted, transportation carbon emissions based on distribution is less than one percent of total emissions. This constitutes a very small percentage of the overall product impact and is also relatable to downstream transportation distribution.

#### Processing of sold products

##### Evaluation status

Relevant, calculated

##### Metric tonnes CO<sub>2</sub>e

9456547

##### Emissions calculation methodology

Estimated utilizing the Quantis Scope 3 Evaluator tool provided by WRI, based on an equivalent total product sold.

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

##### Please explain

#### Use of sold products

##### Evaluation status

Not relevant, explanation provided

##### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

According to the Quantis Scope 3 Evaluator tool provided by WRI, based on an equivalent total product sold, this category does not generate any impact when considered the type of product that Eastman sells.

#### End of life treatment of sold products

##### Evaluation status

Not relevant, calculated

##### Metric tonnes CO<sub>2</sub>e

1282820

##### Emissions calculation methodology

Estimated utilizing the Quantis Scope 3 Evaluator tool provided by WRI, based on an equivalent total product sold.

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

##### Please explain

#### Downstream leased assets

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Eastman has very few downstream assets, such as warehouse space, and emissions are too small for measurement.

#### Franchises

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Eastman has no franchise businesses or assets.

#### Investments

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Eastman had no investments in 2020.

#### Other (upstream)

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

#### Other (downstream)

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

### C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.000752

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

6372993

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

8473000000

**Scope 2 figure used**

Location-based

**% change from previous year**

3

**Direction of change**

Increased

**Reason for change**

The metric provided is a standard total revenue intensity metric. The % change in the metric compared to the previous year indicates a 3% increase. Revenues decreased by 8.6% compared to 2019, driven by a challenging year impacted by COVID-19. Combined Scope 1 and Scope 2 emissions decreased 6% compared to 2019. The net increase in GHG intensity is attributed to lower-than-typical capacity factors for some Eastman plants. A return to more typical capacity factors is anticipated in the future.

## C7. Emissions breakdowns

### C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

### C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4925690	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	8537	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	21225	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	42044	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	3763	IPCC Fourth Assessment Report (AR4 - 100 year)

### C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Asia Pacific (or JAPA)	52565
Europe	198333
Latin America (LATAM)	2288
North America	4748074

### C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

## (C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Facility 1	44131	33.65	-85.85
Facility 2	8680	39.26	-76.09
Facility 3	93	51.15	14.02
Facility 4	18782	36.73	-79.88
Facility 5	24	36.68	-76.92
Facility 6	66586	51.1	3.72
Facility 7	0	51	3.72
Facility 8	0	31.82	117.23
Facility 9	73289	42.1	-72.59
Facility 10	1150	-23.16	-47.05
Facility 11	30617	39.82	-76.84
Facility 12	0	35.97	140.64
Facility 13	6270	59.4	27.28
Facility 14	8890	3.71	103.22
Facility 15	0	3.81	103.22
Facility 16	1055	51.32	12.02
Facility 17	8	40.62	-74.24
Facility 18	32425	51.5	3.61
Facility 19	15279	40.2	-79.83
Facility 20	14	32.11	118.8
Facility 21	9299	32.01	118.8
Facility 22	40551	51.58	-3
Facility 23	19298	53.64	9.21
Facility 24	32054	65.01	25.47
Facility 25	112734	30.6	-87.16
Facility 26	6887	36.7	-79.94
Facility 27	84	21.18	-102.47
Facility 28	1348	38.6	-90.18
Facility 29	0	22.54	114.06
Facility 30	32728	1.35	103.82
Facility 31	107262	30.26	-91.1
Facility 32	1561	31.35	120.59
Facility 33	0	31.25	120.59
Facility 34	3254377	36.55	-82.56
Facility 35	35548	29.38	-94.4
Facility 36	1036478	32.5	-94.74
Facility 37	0	42.14	-83.18
Facility 38	74	35.54	129.31
Facility 39	1054	19.41	-102.04
Facility 40	2638	43.97	-75.91
Facility 41	0	30.59	114.31
Facility 42	0	31.34	119.82
Facility 43	0	36.81	118.06

## C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

## (C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	5001259	<Not Applicable>	
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Asia Pacific (or JAPA)	110331		1414645	
Europe	201891		1520400	
Latin America (LATAM)	8129		63961	
North America	1051383		6059728	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Facility 1	5696	
Facility 2	3820	
Facility 3	4313	
Facility 4	22240	
Facility 5	2443	
Facility 6	1516	
Facility 7	19644	
Facility 8	23240	
Facility 9	23167	
Facility 10	2552	
Facility 11	0	
Facility 12	0	
Facility 13	12585	
Facility 14	13838	
Facility 15	0	
Facility 16	8344	
Facility 17	556	
Facility 18	18537	
Facility 19	4017	
Facility 20	5826	
Facility 21	8746	
Facility 22	10378	
Facility 23	8580	
Facility 24	117993	
Facility 25	0	
Facility 26	7478	
Facility 27	5339	
Facility 28	5170	
Facility 29	889	
Facility 30	32371	
Facility 31	16074	
Facility 32	11277	
Facility 33	109	
Facility 34	34456	
Facility 35	186861	
Facility 36	730733	
Facility 37	8673	
Facility 38	12336	
Facility 39	239	
Facility 40	0	
Facility 41	229	
Facility 42	0	
Facility 43	1471	

**(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	1371734		
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-CH7.8

**(C-CH7.8) Disclose the percentage of your organization’s Scope 3, Category 1 emissions by purchased chemical feedstock.**

Purchased feedstock	Percentage of Scope 3, Category 1 tCO2e from purchased feedstock	Explain calculation methodology
Ammonia	4.3	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.
High Value Chemicals (Steam cracking)	4.9	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.
Methanol	3	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.
Propylene (FCC)	7.8	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.
Specialty chemicals	8.4	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.
Coal	0.5	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.
Propane gas	5.2	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.
Ethane	1.1	Percent burden in calculated by dividing the GWP of each class of purchased raw material by the total GWP of all purchased raw materials calculated in section 6.5.

C-CH7.8a

**(C-CH7.8a) Disclose sales of products that are greenhouse gases.**

	Sales, metric tons	Comment
Carbon dioxide (CO2)	0	Not an Eastman product
Methane (CH4)	0	Not an Eastman product
Nitrous oxide (N2O)	0	Not an Eastman product
Hydrofluorocarbons (HFC)	0	Not an Eastman product
Perfluorocarbons (PFC)	0	Not an Eastman product
Sulphur hexafluoride (SF6)	0	Not an Eastman product
Nitrogen trifluoride (NF3)	0	Not an Eastman product

C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**  
Decreased

C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Eastman had no change over the renewable energy consumption in 2020.
Other emissions reduction activities	105000	Decreased	1.55	Energy efficiency efforts resulted in the decrease through projects such as heat integration, building efficiency improvements, and process optimization. $(105,000 / 6,766,296) * 100 = 1.55\%$
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	288303	Decreased	4.26	Scope 1 and Scope 2 emissions decreased in 2020 compared to 2019 due to lower production in a challenging Covid year. The estimation was calculated by comparing total emissions in 2020 to 2019. We arrived at $(288,303 / 6,766,296) * 100 = 4.26\%$ .
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

### C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

### C8. Energy

#### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 5% but less than or equal to 10%

#### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

#### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	21273281	21273281
Consumption of purchased or acquired electricity	<Not Applicable>	0	4760250	4760250
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	4298484	4298484
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	30332015	30332015

**C-CH8.2a**

**(C-CH8.2a) Report your organization's energy consumption totals (excluding feedstocks) for chemical production activities in MWh.**

	Heating value	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	21273281
Consumption of purchased or acquired electricity	<Not Applicable>	4760250
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	4298484
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0
Total energy consumption	<Not Applicable>	30332015

**C8.2b**

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

**C8.2c**

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Bituminous Coal

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

3743877

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

3743877

**Emission factor**

207.3

**Unit**

lb CO2e per million Btu

**Emissions factor source**

IPCC, 4th Assessment Report

**Comment**

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

13624046

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

351812

**MWh fuel consumed for self-generation of steam**

1281443

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

8824421

**Emission factor**

117.1

**Unit**

lb CO2e per million Btu

**Emissions factor source**

IPCC, 4th Assessment Report

**Comment**

---

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

39262

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

39262

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

0

**Emission factor**

136.61

**Unit**

lb CO2e per million Btu

**Emissions factor source**

IPCC, 4th Assessment Report

**Comment**

---

**Fuels (excluding feedstocks)**

Distillate Oil

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

7636

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

7636

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

---

**MWh fuel consumed for self-cogeneration or self-trigeneration**

0

**Emission factor**

163.61

**Unit**

lb CO2e per million Btu

**Emissions factor source**

IPCC, 4th Assessment Report

**Comment**

---

**Fuels (excluding feedstocks)**

Other, please specify (Fuels produced on-site)

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

3822292

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

3822292

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

0

**Emission factor**

185

**Unit**

lb CO2e per million Btu

**Emissions factor source**

Calculated for fuels produced on-site. The materials produced on-site do not have a standard emissions factor. The emissions factor listed in this report is an average emissions factor for multiple fuels produced on-site within the scope of this report.

**Comment**

---

**Fuels (excluding feedstocks)**

Residual Fuel Oil

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

36168

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

36168

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

0

**Emission factor**

166.13

**Unit**

lb CO2e per million Btu

**Emissions factor source**

IPCC, 4th Assessment Report

**Comment**

---

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1281443	1281443	0	0
Heat	7423540	7423540	0	0
Steam	12568298	12568298	0	0
Cooling	0	0	0	0

C-CH8.2d

**(C-CH8.2d) Provide details on electricity, heat, steam, and cooling your organization has generated and consumed for chemical production activities.**

	Total gross generation (MWh) inside chemicals sector boundary	Generation that is consumed (MWh) inside chemicals sector boundary
Electricity	1281443	1281443
Heat	7423540	7423540
Steam	12568298	12568298
Cooling	0	0

C-CH8.3

**(C-CH8.3) Does your organization consume fuels as feedstocks for chemical production activities?**

Yes

C-CH8.3a

**(C-CH8.3a) Disclose details on your organization's consumption of fuels as feedstocks for chemical production activities.**

**Fuels used as feedstocks**

Coal

**Total consumption**

438012

**Total consumption unit**

metric tons

**Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit**

2.7

**Heating value of feedstock, MWh per consumption unit**

8.4

**Heating value**

HHV

**Comment**

All carbon feedstock is not combusted to CO2 emissions but is used as a raw material to produce chemicals.

**Fuels used as feedstocks**

Natural gas

**Total consumption**

1666

**Total consumption unit**

million cubic feet

**Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit**

0.06

**Heating value of feedstock, MWh per consumption unit**

0.3

**Heating value**

HHV

**Comment**

All carbon feedstock is not combusted to CO2 emissions but is used as a raw material to produce chemicals.

**Fuels used as feedstocks**

Heavy fuel oil

**Total consumption**

0

**Total consumption unit**

metric tons

**Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit**

2.9

**Heating value of feedstock, MWh per consumption unit**

11.7

**Heating value**

HHV

**Comment**

All carbon feedstock is not combusted to CO2 emissions but is used as a raw material to produce chemicals.

**C-CH8.3b**

**(C-CH8.3b) State the percentage, by mass, of primary resource from which your chemical feedstocks derive.**

	Percentage of total chemical feedstock (%)
Oil	21
Natural Gas	40
Coal	9
Biomass	3
Waste (non-biomass)	0
Fossil fuel (where coal, gas, oil cannot be distinguished)	0
Unknown source or unable to disaggregate	28

**C9. Additional metrics**

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CH9.3a

(C-CH9.3a) Provide details on your organization's chemical products.

**Output product**

Specialty chemicals

**Production (metric tons)**

0

**Capacity (metric tons)**

0

**Direct emissions intensity (metric tons CO2e per metric ton of product)**

0

**Electricity intensity (MWh per metric ton of product)**

0

**Steam intensity (MWh per metric ton of product)**

0

**Steam/ heat recovered (MWh per metric ton of product)**

0

**Comment**

Eastman is a global advanced materials and specialty additives company that produces a broad range of products found in items people use every day. Recently developed, introduced, or commercialized products and technologies include the following: • Plastic waste feedstock procurement and commercial-scale operations of proprietary innovative chemical recycling carbon renewal technology which breaks down waste plastics into molecular building blocks (carbon monoxide and hydrogen) for feedstocks of acetyl manufacturing stream products. • Introduction of advanced circular recycling polymer renewal technology to depolymerize waste plastics to re-create specialty monomers for use in manufacture of specialty copolyester products sold into a wide array of end markets. • Saflex™ E series, an enhanced acoustic interlayer product, is formulated to dampen sound, particularly in the high frequency range, and provides improved performance including potential light weighting to improve fuel efficiency compared to traditional acoustic interlayers. • Tetrashield™ performance polyester resins based on proprietary monomer technology with improved performance and sustainability features for automotive coatings, industrial, and food packaging end-users. • Impera™ tire additives performance resins that enable tire manufacturers to improve the safety and handling of tires, balance tire performance and fuel economy needs, and achieve superior levels of tack for tire construction. • Naia™, a yarn product for the apparel market developed from Eastman's proprietary cellulose ester technology. • Regalite™ UltraPure Platform, a new class of tackifying hydrocarbon adhesives resins with enhanced features addressing hygiene end-use product consumer odor, volatile organic compounds and trace chemicals concerns. Eastman considers production, capacity, and technical details to be confidential information, and therefore entered zero in the appropriate fields above.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CH9.6a

(C-CH9.6a) Provide details of your organization's investments in low-carbon R&D for chemical production activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Radical process redesign	Full/commercial-scale demonstration	21 - 40%		Circular technology development (PRT/CRT)
Bio technology	Small scale commercial deployment	≤20%		GEM Technology
Radical process redesign	Full/commercial-scale demonstration	≤20%		Performance Films
Product redesign	Large scale commercial deployment	≤20%		Next-gen tire additives

C10. Verification

C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

## C10.2

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

### C11.1a

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**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS  
Korea ETS  
UK carbon price floor

### C11.1b

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(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

**EU ETS**

**% of Scope 1 emissions covered by the ETS**

3.8

**% of Scope 2 emissions covered by the ETS**

11.4

**Period start date**

January 1 2020

**Period end date**

December 31 2020

**Allowances allocated**

154990

**Allowances purchased**

34729

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

164163

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

149834

**Details of ownership**

Other, please specify (A mixture of 'owned and operated 'and 'operate but do not own')

**Comment**

Five Eastman manufacturing sites were covered by the EU ETS during the 2020 reporting period, and received emission allowances that represent 96% of scope 1 and 78% of scope 2 Eastman manufacturing GHG emissions in the European region. These represent 3.8% of the total scope 1 and 11.4% of scope 2 emissions from Eastman's global GHG emissions.

**Korea ETS**

**% of Scope 1 emissions covered by the ETS**

0.14

**% of Scope 2 emissions covered by the ETS**

99.86

**Period start date**

January 1 2020

**Period end date**

December 31 2020

**Allowances allocated**

54393

**Allowances purchased**

0

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

72.52

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

50939.1

**Details of ownership**

Facilities we own and operate

**Comment**

This data includes information for one manufacturing site in South Korea which is a joint venture. This data is only calculated with originally allocated allowances without the volume carried over and sales volume to the market.

**C11.1c**

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(C11.1c) Complete the following table for each of the tax systems you are regulated by.

**UK carbon price floor**

**Period start date**

January 1 2020

**Period end date**

December 31 2020

**% of total Scope 1 emissions covered by tax**

50

**Total cost of tax paid**

51795.27

**Comment**

Converted to USD(\$), total cost value in GBP(£) £30,583 (exchange rate used on 05/25/2021, 1 GBP =1.4157 USD). CPS (carbon pricing support) only affects the fuel that is used to generate electricity - This is in addition to EUETS allowances.

C11.1d

---

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Eastman's current strategy for allowance trading under all emission trading schemes is to properly manage the compliance obligations of facilities worldwide by pursuing operating efficiency improvements wherever possible to minimize compliance obligation. Eastman will then purchase allowances/compliance instruments to satisfy any net compliance obligations. If allowances allocated to the company exceed the current compliance obligations, allowances are generally retained for future compliance requirements. Eastman does not trade allowances speculatively. As a case study for advocacy on energy efficiency and optimization, several years ago one of our European facilities under the EU ETS, conducted major investments in Cogen and energy optimization for one of their production units. This led to a large decrease of CO2 emissions, resulting in a 'bank' of allowance credits which secured the facilities compliance obligations for phase III (2013-2020) - avoiding increased EUA market price hikes - and will also partially cover the facility into the future phase V compliance period (2021-2030). The rising cost of additional compliance instruments further incentivizes investment in efficiency projects within the facilities impacted, as shared in this case study example early investments can have significant impact over the long term..

C11.2

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(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

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(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

**Credit origination or credit purchase**

Credit purchase

**Project type**

Wind

**Project identification**

Inner Mongolia North Longyuan Zhurihe WindFarm Project

**Verified to which standard**

CDM (Clean Development Mechanism)

**Number of credits (metric tonnes CO2e)**

8522

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

8552

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Compliance

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C11.3

---

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

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**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

**Objective for implementing an internal carbon price**

Navigate GHG regulations  
Stakeholder expectations  
Change internal behavior  
Drive energy efficiency  
Drive low-carbon investment  
Stress test investments

**GHG Scope**

Scope 1  
Scope 2

**Application**

Large capital projects globally

**Actual price(s) used (Currency /metric ton)**

**Variance of price(s) used**

Price in countries under regulated programs will reflect a market price in those jurisdictions where Eastman sites are located. For Eastman site locations in an unregulated market, price is based on purchase of offsets for carbon emissions.

**Type of internal carbon price**

Shadow price

**Impact & implication**

Used in Eastman's financial analysis on business and investment decisions.

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## C12. Engagement

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### C12.1

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers  
Yes, our customers  
Yes, other partners in the value chain

### C12.1a

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Included climate change in supplier selection / management mechanism  
Climate change is integrated into supplier evaluation processes

**% of suppliers by number**

35

**% total procurement spend (direct and indirect)**

63

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

We are institutionalizing a systemic approach to assessing our suppliers, initially focusing on areas of highest Direct spend then expanding to the very fragmented 'tail' of smaller spend to establish a baseline. The intent is then to engage with lower scoring suppliers to help drive improvements. The Indirect supplier base is extremely fragmented, but efforts are underway to begin to assess this supplier base also.

**Impact of engagement, including measures of success**

Eastman is measuring the success of our engagement in the following four ways: (1) In 2020, Eastman increased the number of its Direct and Indirect suppliers that had a valid (< 3 years old) Ecovadis assessment from 296 to 544 suppliers. (2) In 2020, 320 suppliers completed new assessments or completed reassessments. (3) In 2020 Eastman increased the % of continuing Direct spend that was covered by valid assessments from 44% to 63% (excluding natural gas and electricity suppliers). (4) Of those suppliers who performed a reassessment in 2020, 55% achieved an improvement in their overall Ecovadis Score, which was an increase from the 52% achieved in 2019.

**Comment**

Eastman is a member of the Together for Sustainability Initiative (TFS), the Chemical initiative for Sustainable Supply Chains. TFS is a member-driven initiative founded in 2011 by 6 major chemical companies. Since that time, membership has grown to 31 members, including Eastman as the first US chemical industry member. TFS develops and implements a global supplier engagement program to assess, audit and improve sustainability practices within the supply chain of the chemical industry. Under this initiative Eastman requests suppliers to complete an Ecovadis sustainability assessment, which has four elements: Environmental, Labor and Human Rights, Ethics, and Sustainable Procurement. The Environmental element assessment includes questions about the supplier's climate impact and provides a score which can be benchmarked. The TFS initiative also coordinates 3rd party audits of the responses to the assessments when needed. One of the guiding principles of TFS is data sharing between the members: an assessment or audit for one member is an assessment or audit for all.

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## C12.1b

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### (C12.1b) Give details of your climate-related engagement strategy with your customers.

#### Type of engagement

Education/information sharing

#### Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

#### % of customers by number

75

#### % of customer - related Scope 3 emissions as reported in C6.5

70

#### Portfolio coverage (total or outstanding)

<Not Applicable>

#### Please explain the rationale for selecting this group of customers and scope of engagement

We have conducted LCAs on approximately 80% of our products which we share with customers upon request and use that opportunity to engage with them in a deeper dialogue regarding our commitment to reducing our carbon footprint and better understanding their priorities. Additionally, we share via our website and in discussions with customers, the relevant sustainability-related certifications that our products carry. Eastman has been awarded ENERGY STAR® recognition for 8 of the last 9 years for its outstanding energy management program. We share our ENERGY STAR® Partner of the Year status with customers regarding all of our products.

#### Impact of engagement, including measures of success

Positioning Eastman as a company committed to managing and reducing emissions and developing deeper engagement with customers who value this.

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## C12.1d

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### (C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

As a member of the American Chemistry Council (ACC), Eastman encourages and supports logistics providers in becoming Responsible Care® Partners. For more than 25 years, Responsible Care® Partners have worked hand-in-hand with ACC members to promote continual environmental, health, safety and security performance improvements throughout the chemical industry supply chain. Eastman is striving to collaborate with suppliers through strategic relationship management teams, performance metric reviews, and innovation discussions to surface and vet sustainable solutions for our logistics needs.

The Global Supply Chain at Eastman partners with our logistics providers to actively look for solutions that can improve our carbon footprint and reduce accidental releases of material. Our suppliers are always looking for ways to implement sustainable solutions such as upgrading to new trucks and maximizing the miles per gallon realized over mountainous terrain. Many of our logistics partners are members of SmartWay®, which encourages fuel savings and reduced emissions through a variety of sustainable strategies, such as wind deflectors, idle reduction equipment and speed control.

We believe companies should lead by example, not only by making improvements and innovating within their own gates, but by also supporting sound public policies and actively participating in partnerships that address the threats of climate change holistically. Eastman also engages with other partners in the value chain through membership in, support for, and participation in organizations that are involved in climate-related activities.

\*\*\*For example, Eastman's chief sustainability officer currently serves on the American Chemistry Council's Sustainability Circularity Working Group to help facilitate collective action and collaborations to address stakeholder expectations and sustainability challenges. Among other things, the committee is focusing on climate to support reductions of greenhouse gas emissions in our industry and through the value chain and circularity to support a more circular economy through resource efficiency improvements and the development of systems and approaches that increase the lifespan and value of materials through reuse, recycling and recovery. Also, in 2020, the executive editor of GreenBiz, one of the world's leading publications about issues related to sustainable business and the circular economy, spent a day at Eastman's global headquarters to learn about the company's Advanced Circular Recycling technologies, and to speak with Eastman team members working on that platform. He interviewed Eastman's CEO to get his thoughts on the importance of circularity and how Eastman's recycling innovations can give plastics infinite life and help solve the global waste crisis. In addition, Eastman is actively involved with the Ellen MacArthur Foundation through the CE100 Network and collaborates with other members to further climate-related initiatives such as support for a circular economy. Eastman actively follows groups such as the Task Force for Climate-related Financial Disclosure and the Sustainability Accounting Standards Board.

## C12.3

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### (C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

## C12.3a

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**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	Eastman is engaged with the US Department of Energy (DOE), Oak Ridge National Laboratory, the National Renewable Energy Laboratory, and Lawrence Berkeley National Laboratory and the US EPA in support of our efforts to promote energy efficiency across the company. Eastman is a DOE Better Plants Challenge partner. Our efforts led Eastman to be named as an ENERGY STAR Partner of the Year for eight consecutive years with the last six being selected as Sustained Excellence.	To ensure energy efficiency solutions are included as part of any climate change legislation, regulations or policies.
Clean energy generation	Support	Eastman advocated broad definitions of clean energy to allow new and innovative approaches as well as promotion of combined heat and power for more efficient use of traditional fuels.	To ensure broad definitions of clean energy are included in climate change legislation, regulations or policies.
Other, please specify (Climate change)	Support	The Eastman Government Affairs and Public Policy group engage with policy makers and advocate for the development of laws based on sound science to include that which is related to climate change.	To ensure climate change legislation, regulation and policies are based on sound science and that Eastman products and processes are viewed favorably as part of the solution to climate change in concepts such as carbon pricing and border adjustability measures.
Other, please specify (Combined heat and power)	Support	Eastman uses combined heat and power for the majority of its steam and electricity needs. Eastman works with policy makers and agencies like United States Department of Energy (DOE) and Environmental Protection Agency (EPA) to encourage the creation of legislation and regulations that encourage additional use of efficient combined heat and power to reduce power demand from less efficient, traditional power generation plants.	To create legislation, regulations and policies that encourage the use of combined heat and power

**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

**C12.3c**

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

American Chemistry Council

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The American Chemistry Council advocates for chemical-based products and technologies that address climate change in applications such as renewable energy sources, electric and high-efficiency vehicles and building materials that reduce energy consumption. ACC supports the chemical industry and its scientists who are developing new emission reduction technologies and clean energy alternatives to safeguard the environment and people around the world. ACC supports legislative proposals to improve energy efficiency and/or promote the increased use of materials that enable renewable energy, energy efficiency, etc. ACC generally opposes regulatory approaches that it believes will impose significant costs on the chemical industry.

**How have you influenced, or are you attempting to influence their position?**

Eastman encourages ACC to support legislation that promotes energy efficiency. Eastman also worked through ACC to get lawmakers to correct provisions in proposed carbon trading legislation that would have disadvantaged the chemical industry.

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**Trade association**

Business Roundtable

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Business Roundtable's position on climate change is consistent with Eastman's and is explained as follows: Access to reliable, affordable energy undergirds U.S. national and economic security, and a clean, healthy environment is essential for economic prosperity now and for future generations. The Business Roundtable supports policies that capitalize on America's strengths in technology and energy diversity to maximize U.S. energy options and preserve environmental quality. The business community has a special obligation to step forward and help build an environmentally and economically sustainable future. Because the consequences of climate change for society and ecosystems are potentially serious and far-reaching, Business Roundtable believes that steps to address the risks of such climate are prudent and supports collective actions that will lead to the reduction of greenhouse gas emissions on a global basis.

**How have you influenced, or are you attempting to influence their position?**

Eastman representatives work directly with Business Roundtable and alongside other member corporations in the group's efforts to draft a new climate policy. Eastman representatives coordinate the draft climate policy with subject matter experts in the Company's internal Climate and Carbon Working Group which supports the Company's climate and decarbonization goalsetting. Additionally, Eastman's Chairman and CEO has served on Business Roundtable's Board of Directors.

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**Trade association**

Cefic

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Cefic recognizes the industry need for reliable supplies of competitively priced energy and supports establishment of competitive energy markets with energy flowing freely across national borders in the EU. A key element is energy efficiency and a recognition that the chemical industry is a solution provider of energy efficiency and energy saving solutions throughout the economy. Policies fostering energy savings i.e. in transport and buildings will open new market opportunities for the chemical industry. At the same time, policies should safeguard industry access to competitive, reliable energy so as to remain able to provide such services to society. Cefic believes the way to achieve the move towards a low carbon economy is to fully expose renewables to the market which would drive down costs. Cefic supports a path to a low carbon economy under which the aim of the policy is to 'innovate down' the cost of decarbonisation to make it competitive, rather than to increase the cost of essential feedstocks and energy.

**How have you influenced, or are you attempting to influence their position?**

Eastman participates in various Cefic groups and councils that help to craft Cefic policy.

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**Trade association**

Ellen MacArthur Foundation

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Ellen MacArthur Foundation believes that putting in place a circular economy is a fundamental step to achieving climate change targets. The Foundation believes that doing so goes beyond minimizing emissions and offers a systemic response to the climate crisis by minimizing emissions and increasing resilience to the effects of climate change. The benefits encompass meeting other goals such as creating more liveable cities, distributing value more widely in the economy, and spurring innovation. These attributes make the circular economy a potent contributor to achieving zero-carbon prosperity. Further, the Foundation believes that greenhouse gas emissions causing climate change are a product of the world's "take-make-waste" extractive economy, which relies on fossil fuels and does not manage resources for the long-term. The organization posits that a step-change is needed to put the world on track to achieve zero emissions by 2050 to meet the 1.5°C target set out in the Paris Agreement. In industry, the Foundation believes a transformation can be achieved by substantially increasing the use rates of assets, such as buildings and vehicles, and recycling the materials used to make them. This reduces the demand for virgin steel, aluminium, cement, and plastics, and the emissions associated with their production.

**How have you influenced, or are you attempting to influence their position?**

Eastman is a member of the Ellen MacArthur Foundation's "CE100" network. The network is comprised of public and private sector organizations which seek to lead the global transition to a circular economy which simultaneously addresses important climate change problems.

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**C12.3d**

**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

No

## C12.3f

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Eastman's Issue Management Council works across functions within the company to track, monitor and manage public policy related issues, including climate and energy, environment, circular economy, product and chemical management, tax, and trade regulation topics. This cross-functional group of global leaders from North America, Europe, Middle East and Africa, and Asia-Pacific represent the company's public policy, government affairs, ESG, sustainability, circular economy, sourcing and procurement, product stewardship and regulatory affairs, legal, HSES, global trade compliance, and tax organizations to ensure consistency with Eastman's overall climate change strategy.

These corporate functions are directly aligned with manufacturing through the Company's utility operations, business organizations, regional environmental permitting and compliance staff groups, and product stewards. Insights from operations management and from these various functions are represented by issue groups, which are embedded in several of the company's key working groups and support the global issue management process. This facilitates an improved cross-functional understanding of the risks associated with emerging climate issues as well as the opportunities that could offer a competitive advantage in the marketplace. Comprehensive strategies are developed, and roles and responsibilities are assigned to issue groups and issue stewards as part of the global issue management process to ensure coordinated, consistent internal and external messaging.

## C12.4

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

Eastman2020AnnualReport\_R2.pdf

**Page/Section reference**

page 4, 7, 42 and 45

**Content elements**

Governance  
Risks & opportunities  
Emission targets

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Eastman-Sustainability-Report-2020.pdf

**Page/Section reference**

Page 6, 7, 16, 17, 18, 19, 20

**Content elements**

Strategy  
Risks & opportunities  
Emission targets  
Other metrics

**Comment**

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## C15. Signoff

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### C-FI

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

### C15.1

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(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President, Technology and Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Please select

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

**Requesting member**

Altria Group, Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

**Uncertainty (±%)**

5

**Major sources of emissions**

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
We face no challenges	

SC1.4

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(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

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(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

SC2.1

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(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

---

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

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(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

---

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms