

W0. Introduction

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W0.1

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**(W0.1) Give a general description of 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.

W-CH0.1a

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**(W-CH0.1a) Which activities in the chemical sector does your organization engage in?**

Specialty organic chemicals

W0.2

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**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

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**(W0.3) 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

W0.4

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**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

W0.5

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**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

W0.6

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**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Non-manufacturing, sales and administrative offices	Small, non-manufacturing water use which is insignificant and is less than 1% of total water usage.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Water is a basic need for Eastman's manufacturing operations thus it is rated as of vital importance since water disruptions could compromise future production. Water is used in a variety of ways including as a solvent, product ingredient, for steam generation, for cooling, and for washing. There is also a need for sufficient potable water for on-site employees and contractors. In addition, many of our suppliers are petrochemical and chemical based. We believe their dependence on water resources to be important, because their water requirements and uses are similar to Eastman's. Eastman does not expect total water needs to change dramatically over time but does expect freshwater consumption to continue to be minimal and possibly decreased with a move to more recycled water. Likewise, Eastman expects that indirect operations will likely continue to have a similar total dependence on water with freshwater needs decreasing as more attention is placed on increasing water reuse. Diversity of supply chain reduces risk for indirect operations. With the escalating importance of water, we would expect to see these trends develop before 2030.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	Eastman recycles water in manufacturing operations to reduce water demand, raw water treatment costs, and to enhance energy and water efficiency. Essential recycle operations include condensate recovery and reuse and recirculating cooling towers as well as reuse of water within some processes for heat recovery and reduced water usage. Eastman seeks to use lower quality water when available and expect these uses to increase over time relative to fresh water as fresh water becomes less accessible and as treatment of brackish water costs decrease over time. However, overall total consumption is likely to remain fairly constant over time such that freshwater consumption decreases and brackish water consumption increases. To promote the use of lower quality waters when available, Eastman uses "true cost" of water so that the addition of energy and chemicals to treat the water is considered in the water selected for use. In addition, many of our suppliers are petrochemical and chemical based. Their water requirements and uses are similar to Eastman's and we would expect them to show similar trends. That is, they are likely to continue to use a similar amount of water but expect they would also decrease the amount of fresh water and increase the amount of recycled water. Diversity of supply chain reduces risk for indirect operations. With the escalating importance of water, we would expect to see these trends develop before 2030.

W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	The amount of water withdrawn is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume.
Water withdrawals – volumes by source	100%	The amount of water withdrawn is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	The quality of the water brought on a site can vary. Water from non-municipal sources is often treated by the sites to ensure it is adequate for the site's needs (pre-treatment). Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume.
Water discharges – total volumes	100%	The amount of water discharged is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume.
Water discharges – volumes by destination	100%	The amount of water discharged is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume.
Water discharges – volumes by treatment method	100%	The amount of water discharged is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume."
Water discharge quality – by standard effluent parameters	100%	Water is discharged complying with parameters outlined in either a discharge permit or in accordance with a local publicly owned treatment works. In many cases, pre-treatment is performed prior to discharge. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume."
Water discharge quality – temperature	100%	Water is discharged complying with parameters outlined in either a discharge permit or in accordance with a local publicly owned treatment works. The amount of water discharged is typically monitored or metered via digital control systems that includes data logging at prescribed intervals. Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water discharge, which is immaterial considering the total volume."
Water consumption – total volume	100%	Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water consumption, which is immaterial considering the total volume."
Water recycled/reused	100%	Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume."
The provision of fully-functioning, safely managed WASH services to all workers	100%	Corporate campus and regional non-manufacturing sales and administrative offices are excluded. The corporate campus and regional offices would represent less than 1% of total water usage, which is immaterial considering the total volume."

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	928414	Lower	Total withdrawals are monitored for all manufacturing sites. Water withdrawal compared to 2019 was lower by almost 2%. Overall production was down by 8% due to a challenging year. The discharge amount compared to 2019 is also lower. Lower discharge amounts are attributed to overall production demand decreases and less rainfall at a major site that collects water for later usage. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures, acquisitions, and weather.
Total discharges	900051	Lower	Total withdrawals are monitored for all manufacturing sites. Water withdrawal compared to 2019 was lower by almost 2%. Overall production was down by 8% due to a challenging year. The discharge amount compared to 2019 is also lower. Lower discharge amounts are attributed to overall production demand decreases and less rainfall at a major site that collects water for later usage. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures, acquisitions, and weather.
Total consumption	28363	Higher	Total withdrawals are monitored for all manufacturing sites. Water withdrawal compared to 2019 was lower by almost 2%. Overall production was down by 8% due to a challenging year. The discharge amount compared to 2019 is also lower. Lower discharge amounts are attributed to overall production demand decreases and less rainfall at a major site that collects water for later usage. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures, acquisitions, and weather.

**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	Less than 1%	About the same	WRI Aqueduct	Sites located in extremely water stressed areas indicated by World Resources Institute's Aqueduct™ represent less than 1% of Eastman's total water withdrawals, discharges and consumption. The basis used for identifying extremely stressed sites is World Resources Institute's Aqueduct™ tool, baseline stress with an indication of "extremely stressed". The Eastman sites identified in baseline extremely stressed areas, adhere to Eastman's Environmental Stewardship Policy and our Responsible Care® Principles. Both emphasize conservation of natural resources, use of material and energy efficiency, and strive to reduce emissions, discharges, and water through source reduction, reuse and recycling. The sites, where possible, use more abundant water, such as seawater. All sites that consume water located in these regions have conservation plans in place. All sites located in extremely stressed regions, consume minimum quantities of freshwater, less than 100 ML per year.

**W1.2h**

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	838397	Lower	Total withdrawals are monitored for all manufacturing sites. Water withdrawal compared to 2019 was lower by almost 2%. Overall production was down by 8% due to a challenging year related to the global pandemic. The discharge amount compared to 2019 is also lower. Lower discharge amounts are attributed to overall production demand decreases and less rainfall at a major site that collects water for later usage. This source is relevant because of the ability to use freshwater, predominantly for cooling reducing the need for cooling towers which require both chemicals and energy to operate. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures, acquisitions, and weather.
Brackish surface water/Seawater	Relevant	70551	About the same	Total withdrawals for brackish/seawater remained about the same compared to 2019.
Groundwater – renewable	Relevant	2160	Higher	Total water withdrawals from renewable groundwater increased by 6%. However, renewable groundwater withdrawals represents less than 0.5% of total water withdrawals.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Eastman does not use groundwater from non-renewable wells.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Produced water in processing of chemicals represents less than 1% of the total water usage.
Third party sources	Relevant	17306	About the same	Total water withdrawals from third party sources remained about the same. However, third party withdrawals represent about 2% of total water withdrawals.

**W1.2i**

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	816815	Lower	Total withdrawals are monitored for all manufacturing sites. Water withdrawal compared to 2019 was lower by almost 2%. Overall production was down by 8% due to a challenging year. The discharge amount compared to 2019 is also lower. Lower discharge amounts are attributed to overall production demand decreases and less rainfall at a major site that collects water for later usage. Non-manufacturing sites are excluded from the water accounting data but would represent less than 1% of our total withdrawal volumes and discharge volumes. Near future water withdrawal volumes are projected to remain about the same but could vary depending on future expansions, divestitures, acquisitions, and weather.
Brackish surface water/seawater	Relevant	72082	About the same	Total discharges for brackish/seawater remained about the same compared to 2019.
Groundwater	Relevant	605	Higher	Total water discharges from renewable groundwater increased by 6%. However, renewable groundwater withdrawals represents less than 0.5% of total water withdrawals.
Third-party destinations	Relevant	10549	Lower	Total water discharges from third party sources decreased by 6%. However, third party withdrawals represents about 2% of total water withdrawals.

**W1.2j**

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Total water discharges by type of treatment will be disclosed in the next report season.
Secondary treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Total water discharges by type of treatment will be disclosed in the next report season.
Primary treatment only	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Total water discharges by type of treatment will be disclosed in the next report season.
Discharge to the natural environment without treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Total water discharges by type of treatment will be disclosed in the next report season.
Discharge to a third party without treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Total water discharges by type of treatment will be disclosed in the next report season.
Other	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Total water discharges by type of treatment will be disclosed in the next report season.

W-CH1.3

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?

No, but we intend to do so within the next two years

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

26-50

% of total procurement spend

51-75

Rationale for this coverage

We are institutionalizing a systemic approach to assessing our suppliers, initially focusing on areas of highest direct spend and 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 the engagement and 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). 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.

W1.4b

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**  
Onboarding & compliance

**Details of engagement**  
Inclusion of water stewardship and risk management in supplier selection mechanism  
Requirement to adhere to our code of conduct regarding water stewardship and management

**% of suppliers by number**  
26-50

**% of total procurement spend**  
51-75

**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 and 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 the engagement and 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**

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**W1.4c**

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**(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

Eastman engages with our customers to help them better understand the water footprint of our products and how the water footprint of our products compares to competing products in the marketplace.

**W2. Business impacts**

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**W2.1**

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**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

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**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

Yes, fines, enforcement orders or other penalties but none that are considered as significant

**W2.2a**

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**(W2.2a) Provide the total number and financial value of all water-related fines.**

Row 1

**Total number of fines**  
4

**Total value of fines**  
10750

**% of total facilities/operations associated**  
5

**Number of fines compared to previous reporting year**  
Higher

**Comment**

Water-related fines are historically low. The dollar value of the fine in 2020 does not reach a level that would be 'material' information as defined by applicable law and thus requiring public disclosure to investors. Nevertheless, Eastman team members foster a 'Zero Incident Mindset', seeking to ensure our operations comply with all legal requirements. Any instance of alleged noncompliance is taken seriously regardless of the level of the fines, or whether a disclosure is required.

## W3. Procedures

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### W-CH3.1

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#### **(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on water ecosystems or human health?**

Eastman knows that water is one of our planet's most valuable resources. We maintain pollution prevention and waste minimization programs designed to achieve ongoing reductions in the amount of contaminants that may be released to the water. A hierarchical waste management strategy is followed. This strategy emphasizes maximizing the conversion of raw materials into marketable products and minimizing the creation of waste. Increasing product yields is an ongoing, continuous priority for our research and manufacturing groups. When byproducts are produced they are evaluated and, if possible, used as feed stocks in other Eastman operations. When recovery or reuse options are exhausted, waste is evaluated and, based on treatability and regulatory constraints, assigned to an appropriate treatment unit. Our facilities have invested in and operate wastewater treatment systems that are designed to effectively remove regulated materials from the effluent prior to returning the treated water to the biosphere.

Eastman complies with related government issued permits or licenses to demonstrate that the treated discharges do not degrade the receiving surface waters and that all applicable water quality standards are met. Our two largest sites, which are responsible for 90% of Eastman's water usage, have voluntarily conducted numerous river studies through a third party (the Academy of Natural Sciences) to ensure that Eastman is not having a negative impact on the rivers' water quality, plants, fish, macroinvertebrates, or insects.

### W-CH3.1a

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**(W-CH3.1a) Describe how your organization minimizes adverse impacts of potential water pollutants on water ecosystems or human health. Report up to ten potential pollutants associated with your activities in the chemical sector.**

Potential water pollutant	Value chain stage	Description of water pollutant and potential impacts	Management procedures	Please explain
BOD (Biological Oxygen Demand)	Direct operations	The amount of oxygen consumed by bacteria in the decomposition of organic material. BOD provides an index to assess the effect of discharged wastewater will have on the receiving environment. The higher the BOD value, the greater the amount of organic matter available for oxygen consuming bacteria. Oxygen consumed in the decomposition process is oxygen not otherwise available for aquatic organisms.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any BOD effluent limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. BOD measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
COD (Chemical Oxygen Demand)	Direct operations	A measure of the amount of oxygen that could be consumed by reactions in a measured solution. COD provides an index to assess the effect discharged wastewater will have on the receiving environment. Bacteria decompose organic materials using dissolved oxygen and this leads to a reduction of dissolved oxygen for other aquatic organisms.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any COD effluent limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. COD measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
TSS (Total Suspended Solids)	Direct operations	TSS is the dry weight of suspended particles that are not dissolved, in a sample of water that can be trapped by a filter that is analyzed using filtration. Suspended solids can clog fish gills, reduce light penetration which reduces the ability of algae to produce food and oxygen and could settle out as sediment that may smother bottom-dwelling organisms, eggs and cover breeding areas	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any TSS effluent limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. TSS measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
pH	Direct operations	A measure of hydrogen ion concentration. Aquatic life is adapted to natural pH levels. Changes in pH could have negative impacts on the aquatic community.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any effluent pH limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. pH measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
Temperature	Direct operations	A measure of the heat present in a substance. Temperature affects the dissolved oxygen levels in water, photosynthesis of aquatic plants, metabolic rates of aquatic organisms.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any effluent temperature limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. Temperature measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
Metals	Direct operations	Metals are essential to biochemical processes but in high concentrations are toxic to aquatic organisms.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any effluent metals limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. Metals measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
Nutrients	Direct operations	Phosphorus and nitrogen are the primary nutrients that in excessive amounts have a negative impact on aquatic environments leading to eutrophication.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any effluent nutrient limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. Nutrients measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
Ammonia	Direct operations	Ammonia, in high levels, builds up in aquatic organism's tissues and blood.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any effluent ammonia limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. Ammonia measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.
Toxicity	Direct operations	Toxicity is measured varying parameters, exposing test species and comparing survival, growth and reproduction to a control test.	Compliance with effluent quality standards	Government authorities issue Eastman's operations permits are designed to protect water quality in the receiving streams. Eastman operates in compliance with these permits, including any effluent toxicity limits, and monitors and reports this compliance as required. Eastman's compliance with these permits ensures that the company's discharges do not impact the quality of the receiving stream. Each site that operates a wastewater treatment facility uses wastewater management procedures and processes to ensure effluent limits are met. Toxicity measures are accumulated and reported to regulatory authorities as required. The majority of our manufacturing sites are either certified to ISO14001, Responsible Care® Management System (RCMS) or RC®/ISO14001. RCMS is similar in scope to RC/ISO14001, both require third party verification to obtain a certificate of conformance.

**W3.3**

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Direct operations**

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

**Tools and methods used**

WRI Aqueduct

**Comment**

World Resources Institute's Aqueduct™ tool is used. To assess risks using baseline stress, seasonal variability, and projected water stress using projections by the tool.

**Supply chain**

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

1 to 3 years

**Type of tools and methods used**

Other

**Tools and methods used**

Other, please specify (Ecovadis assessment)

**Comment**

Eastman is a member of Together for Sustainability (TfS) which is a procurement-led initiative focused on elevating the sustainability of the supply chain for the chemical industry. Eastman is committed to responsible sourcing and is driving an initiative to focus on the top 80% of our direct spend and assess those suppliers regarding sustainability. Eastman is leveraging the widely accepted Ecovadis assessment which includes a specific focus on water management practices. The intent is to gain a better understanding of our suppliers' performance in this space and then to help drive improvements with suppliers where appropriate.

**Other stages of the value chain**

**Coverage**

None

**Risk assessment procedure**

<Not Applicable>

**Frequency of assessment**

<Not Applicable>

**How far into the future are risks considered?**

<Not Applicable>

**Type of tools and methods used**

<Not Applicable>

**Tools and methods used**

<Not Applicable>

**Comment**

**W3.3b**

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**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	World Resources Institute's Aqueduct tool is used to assess water risks using baseline stress, seasonal variability, and projected water stress. Water availability is a basic need for Eastman operations. Water availability is always considered in siting new facilities, operating existing facilities and for acquisitions.
Water quality at a basin/catchment level	Relevant, always included	Water quality withdrawal is monitored at the site/facility level and access to high water quality is a basic need for operations. Water quality is assessed and may require further treatment, such as filtration, to be suitable for production use. Water discharges are monitored for effluent levels according to site specific permit limits.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Eastman maintains Community Advisory Panels (CAPs) at 12 key global sites, as well as various community care lines that are regularly monitored. In addition, Eastman has corporate social media accounts (e.g. Facebook, LinkedIn, Twitter, among others) that provide an avenue for soliciting and addressing public concerns. Any concerns identified through these mechanisms are addressed in a timely manner. The Community Advisory Panels are part of the Corporate Responsible Care® Program, RC14001, and ISO14001. The Corporate Responsible Care® Program, RC14001, and ISO14001 are third party audited.
Implications of water on your key commodities/raw materials	Not relevant, explanation provided	Water related issues have not risen to a substantive level for Eastman. Eastman has a diverse raw material and commodity supply chain which minimizes our risk when there are issues with severe weather events or other events beyond our control and our supply chain. In addition, our key suppliers are routinely risk assessed and our contracting process surface issues of this nature where they are dealt with contractually. Any new key supplier must submit a supplier information form that is located on our public website. These suppliers are asked if they are RC®14001 or ISO14001 certified. Both of these programs are externally audited, and water management metrics and goals are key processes that are audited.
Water-related regulatory frameworks	Relevant, always included	By policy, Eastman complies with all laws and regulations including those that are water related. Emerging issues relating to regulations and laws are monitored by a cross-functional, multi-site team to ensure that future risks are known and considered in our water policy. The Global HSES Advocacy Network Team monitors proposed new regulations, changes to existing regulations, legislative issues that could impact regulatory frameworks and court decisions on environmental regulations including water.
Status of ecosystems and habitats	Relevant, sometimes included	Eastman has a standard operating procedure (SOP) on siting of new facilities. Our SOPs are applied to our sites around the world and are audited as part of the Corporate Responsible Care Management System®, RC®14001 and ISO14001. Part of the requirements of the SOP that apply to water issues and ecosystems are that the site selection and evaluation team will consider: historical climate data including potential impact, likelihood of occurrence and resources required for preparation for severe storms and other natural disasters, availability, capacity, and capability of waste treatment facilities, availability of fresh water via local rivers or aquifers, local streams or rivers potentially impacted as receiving streams, and the existence of local and regional sensitivities (e.g. protected areas such as wetlands and wildlife habitats) and necessary means to minimize their impact.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Eastman is committed to the United Nations' Sustainable Development Goals. One of the goals is to ensure access to water and sanitation. Employees have access to good quality drinking water, water for cleaning, and waste management that meets local laws and regulations.
Other contextual issues, please specify	Not relevant, explanation provided	No other contextual issues not considered in the above apply.

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Customers are considered in several ways. Eastman maintains Life Cycle Assessment (LCA) capabilities and can address customer questions about water use and product footprint enabling our customers to better understand their own risks. Eastman also produces many of its products at multiple sites therefore reducing risk of interrupted supply to our customers.
Employees	Relevant, always included	Eastman ensures that potable water is available on site for employees and contractors. Employees and contractors are trained on release reporting and are required to report any releases outside of primary containment. The release reporting requirement of employees and contractors mitigates risk to employee and contractor safety and the environment.
Investors	Relevant, always included	Eastman seeks to minimize investor risks through an understanding of water-related issues and the means for eliminating or at least minimizing their impact on company operations. These risks are communicated via Eastman's Sustainability Report which is generally published annually.
Local communities	Relevant, always included	Eastman maintains Community Advisory Panels (CAPs) at 12 key global sites, as well as various community care lines that are regularly monitored. In addition, Eastman has corporate social media accounts (e.g. Facebook, LinkedIn, Twitter) that provide an avenue for soliciting and addressing public concerns. Any concerns identified through these mechanisms are addressed in a timely manner. The Community Advisory Panels are part of the Corporate Responsible Care® Program, RC14001, and ISO14001. The Corporate Responsible Care® Program, RC14001, and ISO14001 are third party audited.
NGOs	Relevant, sometimes included	Eastman and the Eastman Foundation advance ecological work through various partnerships like The Nature Conservancy, one of the world's leading environmental organizations. Together, we support the conservancy's local and global efforts. In close proximity to our corporate headquarters, we supported the conservancy's research in nature preserves located in Shady Valley, Tennessee – a rare, high-elevation remnant of the last Ice Age and one of the most ecologically important regions in the Southern Appalachian Mountains. Shady Valley is an area with sphagnum/cranberry peat bogs and white pine/hemlock forests. Eastman engineers formed a chapter, Tri Cities Tennessee Professional Chapter, of Engineers Without Borders-USA. Eastman and Eastman Foundation support the chapter's work in a number of ways to facilitate sustainable, positive change in the world through professional development. The first project completed by the chapter was in Samne, Peru - a new water reservoir and chlorinator system to provide not only consistent water quantity but also improved water quality that has resulted in a significant decrease of water related sicknesses in the community of around 800 people. Eastman Singapore employees volunteered in a coastal clean-up event organized by the Singapore Chemical Industry Council (SCIC) as part of its year-long Clear Shores, Clean Waters campaign. Facility level water management processes including consideration of local NGO input is factored into facility level risk management.
Other water users at a basin/catchment level	Relevant, always included	Eastman partners with the Tennessee Valley Authority at one of the company's large sites. The partnership is a collaborative effort that works on projects such as river maintenance, flow management that allows river water pumping operations, communications on river water flow conditions for both flood and drought conditions and a swift response plan that provides protection of downstream users leveraging Eastman's spill management capabilities.
Regulators	Relevant, always included	Regulators are an important stakeholder group to Eastman. Our policies require that we manage our water resources in compliance with all permits, laws and regulations.
River basin management authorities	Relevant, always included	We work with our river basin management authorities to help ensure adequate water, both amounts and quality, meet needs.
Statutory special interest groups at a local level	Relevant, always included	These stakeholders are water users who share this valuable resource with Eastman. We discuss issues of concern with Community Advisory Panels and welcome their questions and input. This provides Eastman an opportunity to be aware of common water issues within the area.
Suppliers	Relevant, always included	Eastman relies on water companies to supply water needs at some sites. The water suppliers at these sites are essential to these sites and the suppliers are engaged on delivering water at our specifications.
Water utilities at a local level	Relevant, always included	Water providers at the local level are important stakeholders. They supply municipal water to plants and generally withdraw water for treatment from the same bodies of waters supplying Eastman plants. Collaboration is critical to ensure adequate water supplies in case of expansion or should other issues arise.
Other stakeholder, please specify	Relevant, always included	We work with trade organizations around the world such as ACC (American Chemistry Council), Cefic (European Chemistry Council, and AICM (Association of International Chemical Manufacturers) on health, safety, security and environmental issues including those that are water-related.

**W3.3d**

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Water is a basic need for our manufacturing operations. Eastman performs a comprehensive, company-wide risk assessment for its operations every five years, or more often in the event of acquisitions. These assessments help the company understand where water scarcity issues exist and help to prioritize limited resources to address water quality and availability issues, if any are identified.

Eastman annually uses the WRI Aqueduct™ tool, as well as an in-house survey, to project water-stressed site risks to 2025. Water risks, including quantity and quality, as well as regulatory and community restraints, are site issues that are managed as key infrastructure elements that govern viability and potential growth of every site. The decision to establish a site includes an evaluation of the water resources and annual decisions concerning the siting of new processes are largely determined on the assessment of infrastructure needs. New facility siting is governed by an Eastman policy that requires the project evaluation team to consider these criteria: historical climate data including potential impact, likelihood of occurrence and resources required for preparation for severe storms and other natural disasters; availability, capacity, and capability of waste treatment facilities; availability of fresh water via local rivers or aquifers, local streams or rivers potentially impacted as receiving streams; and existence of local/regional sensitivities and necessary means to minimize their impact.

Significant risks, including water-related risks, are evaluated in Eastman's Enterprise Risk Management (ERM) process which is overseen by the Audit Committee of the Board of Directors. Mitigation plans are developed as needed and executed upon by the appropriate working groups.

**W4. Risks and opportunities**

**W4.1**

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

#### W4.1a

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(W4.1a) How does your organization define substantive financial or strategic impact on your business?

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

#### W4.2b

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(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Eastman utilizes World Resources Institute's Aqueduct™ tool to identify sites in water-stressed regions. Less than 20% of Eastman sites are in water-stressed regions with a much lower percentage of actual production at water-stressed sites. Water quantity and quality are considered in new site siting decisions. In addition, water reuse opportunities are identified and exploited to reduce water requirements. For example, condensate return is emphasized and heat integration reuses the thermal energy of water streams. Eastman has a broad portfolio of products and this diversification mitigates the impact of risk to any particular product or site. This was evident in 2017 when a number of hurricanes hit the United States but had no substantive impact on Eastman's ability to fill orders and satisfy customer needs.

#### W4.2c

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(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Water related issues have not risen to a substantive level for Eastman. Eastman has a diverse raw material and commodity supply chain which minimizes our risk when there are issues with severe weather events or other events beyond our control and our supply chain. In addition, our key suppliers are routinely risk assessed and our contracting process surfaces issues of this nature where they are dealt with contractually. Any new supplier is vetted through Eastman's process.

#### W4.3

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(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

#### W4.3a

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**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Increased sales of existing products/services

**Company-specific description & strategy to realize opportunity**

Eastman sells bio-based polymers, cellulose esters, into membrane filtration to purify water or water-based products such as fruit juices, wine, beer, and dairy products. A portfolio of such products was introduced. Offering a range of cellulose esters allows the user to purchase multiple products that can be blended to obtain the targeted membrane functionality. Eastman has significant technical expertise in our research and development and technical service departments to assist with product selection and development. Eastman assesses this to be a strategic opportunity given the Company's significant technical expertise and the potential for this to lead to increased market share and revenues in this area. For example, Eastman's cellulosic membrane materials are used in forward osmosis membranes, both in industrial applications and personal hydration systems.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Low-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)**

5000000

**Explanation of financial impact**

Several new materials are being introduced and specific sales figures are not available. The range given is an expected estimate.

**W6. Governance**

**W6.1**

**(W6.1) Does your organization have a water policy?**

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

**W6.1a**

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of water-related performance standards for direct operations Commitment to stakeholder awareness and education Recognition of environmental linkages, for example, due to climate change	Eastman's Environmental Stewardship Policy and Responsible Care Pledge® provide a framework for responsible environmental management and conservation across our value chain from raw materials, processing and production, and customers. Specific elements of the Policy & Pledge address business dependency on water, stakeholder awareness & education, and commitment to meeting or exceeding regulations. Eastman developed best practices for water reuse and conservation. Eastman's goals and commitments have been assessed against the United Nations Sustainable Development Goals. In addition, a stakeholder assessment matrix was completed in 2019 which included water.

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Director on board	At the highest level, the Audit Committee of Eastman's Board of Directors has responsibility for Eastman's Enterprise Risk Management (ERM) process which includes management of all risks, including water-related risks. The Audit committee is chaired by a specific Director. The Eastman Board of Directors also has an Environmental, Safety, and Sustainability (ESS) Committee which has broad and dedicated oversight for ESG matters affecting the Company. Water-related issues are a part of the Committee's oversight responsibility. The ESS Committee of the Eastman Board is chaired by a specific Director and includes every member of the Board. The ESS Committee routinely receives updates and presentations on water-related risks and issues. The Finance Committee of Eastman's Board of Directors reviews new capital projects and reviews water issues as part of that process. For example, in 2020, the Board approved the methanolysis project with consideration of water requirements. The Finance Committee and the full Board review and address water scarcity issues that are surfaced. The Finance Committee is chaired by a specific Director.

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Setting performance objectives	The Audit Committee of Eastman's Board of Directors has oversight responsibility for Eastman's Enterprise Risk Management (ERM) process which includes management of all risks, including water-related risks. A risk review is conducted with the Audit Committee at least once per year. Eastman personnel provide the Audit Committee with semi-annual reports on regulatory and legislative developments, including water-related initiatives, that have the potential to affect the Company's operations. As part of the ERM process, appropriate mitigation plans are developed. The Audit Committee is involved in setting performance objectives. The Finance Committee of Eastman's Board of Directors oversees acquisitions and divestitures and major capital expenditures. Water issues are reviewed as part of the acquisitions and capital project review process. The Eastman Board of Directors also has an Environmental, Safety, and Sustainability (ESS) Committee which has broad and dedicated oversight for ESG matters affecting the Company. Water-related issues are a part of the Committee's oversight responsibility. The ESS Committee of the Eastman Board is chaired by a specific Director and includes every member of the Board. The ESS Committee routinely receives updates and presentations on water-related risks and issues. The Finance Committee of Eastman's Board of Directors reviews new capital projects and reviews water issues as part of that process. The Finance Committee and the full Board review and address water scarcity issues that are surfaced. The Finance Committee is chaired by a specific Director.

**W6.3**

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Less frequently than annually

**Please explain**

The Chief Sustainability Officer reports directly to the CEO and Chairman of the Board and is responsible for driving sustainability throughout the company including responsible use of water. Examples of reports pertaining to water given to the Board of Directors include regulatory updates, water resource management overview, updates on issues such as plastics in the ocean and water pollution in China, research by the Woods Hole Oceanographic Institution, Global HSES Audit Program updates, our Sustainability Report, cooling water intake structure studies, and National Academy of Sciences studies of the health of local rivers. These reports are given on an as-needed basis, generally less than annually. The CSO is responsible for both Eastman's Technology and Sustainability organizations. The Chief Manufacturing, Supply Chain, and Engineering Officer (CMSE) is responsible for maintaining water supply and ensuring compliance with all regulations and considerations for sustainable design.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

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

W6.4a

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Other C-suite Officer (Chief Manufacturing, Supply Chain, and Engineering Officer (CMSE))	Other, please specify (Responsible water management is included in Eastman's Zero Incident Mindset initiative.)	Eastman requires all employees to complete Zero Incident Mindset (ZIM) training, which is risk-based. ZIM is centered on complete focus on each activity at hand – viewing all incidents as preventable in all categories. We define "incident" as, "an unanticipated event that normally requires time or money to correct – often due to a departure from our core values, expected behaviors and principles." Expectations for application mean that no deviation from normal operations is tolerated. An example is the adoption of the Operation Clean Sweep Program (OCS), a product stewardship program of ACC and the Plastics Industry Association focused on the implementation of good housekeeping and containment practices to achieve zero pellet, flake and powder loss. The ZIM initiative is included in the CMSE's Personal Performance Commitments and is considered during compensation review for variable compensation awards.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	No non-monetary rewards are provided at this time.

W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Direct engagements with policy makers and trade associations are overseen by the Company's Government Affairs organization and are intended to be consistent with and supportive of Eastman policies and commitments. Structure is in place through the Sustainability Council and sub-councils; the Issue Management Council; and groups such as the Global HSES Advocacy Network Team to review positions and gain alignment. This structure exists in part to drive consistency across the Company. Any inconsistency that may arise between the positions or needs of a specific site, geography, business or function and the general Eastman policies and commitments is addressed through this structure. The extent and implication of any inconsistency is evaluated, and corrective action can be taken to address the particular situation and need. Public policy overviews and activities for selected areas (including environment and natural resources) are presented to the Board of Directors at least annually. Funding for research organizations with respect to water issues is managed through either Corporate Responsibility or Technology. Funded research is either in support of Corporate Responsibility pillars significant to Eastman (Education, Environment, Economic Development and Empowerment) or strategic to business opportunities .

W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

No, and we have no plans to do so

W7. Business strategy

W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	While Eastman has not identified significant water risks with substantive impact, water issues are integrated into long-term business objectives. Eastman is advantaged in that the vast majority of Eastman sites are not in water-stressed areas which minimizes our potential risks. Nevertheless, the leadership teams for each of Eastman's Business Units consider water risks including the potential impacts of the loss of primary containment of raw materials, intermediate and products that could potentially impact water quality. ***For example, The Finance Committee of Eastman's Board of Directors oversees acquisitions and divestitures and major capital expenditures. Water issues are reviewed as part of the acquisitions and capital project review process in support of achieving long-term business objectives.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	While Eastman has not identified significant water risks with substantive impact, water issues are integrated into long-term business objectives. Eastman is advantaged in that the vast majority of Eastman sites are not in water-stressed areas which minimizes our potential risks. Nevertheless, the leadership teams for each of Eastman's Business Units consider water risks including the potential impacts of the loss of primary containment of raw materials, intermediate and products that could potentially impact water quality. ***For example, Eastman utilizes World Resources Institute's Aqueduct™ tool to identify sites in water-stressed regions. Water quantity and quality are considered in siting decisions. In addition, water reuse opportunities are identified and exploited to reduce water requirements in support of Eastman's strategy for achieving long-term objectives.
Financial planning	Yes, water-related issues are integrated	21-30	While Eastman has not identified significant water risks with substantive impact, water issues are integrated into long-term business objectives. Eastman is advantaged in that the vast majority of Eastman sites are not in water-stressed areas which minimizes our potential risks. Nevertheless, the leadership teams for each of Eastman's Business Units consider water risks including the potential impacts of the loss of primary containment of raw materials, intermediate and products that could potentially impact water quality. ***For example, Eastman places an internal price on water to aid financial planning. Project financials are based on internally developed pricing for all utilities. This pricing has been developed using a model that estimates the total cost of water, including treatment and delivery. In addition, this model estimates how every other utility impact water use and incorporates the impact of total water cost in the internal pricing of all other utilities. This methodology ensures that project evaluations capture the total upstream impact on water use and costs.

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

-37

**Anticipated forward trend for CAPEX (+/- % change)**

350

**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

In 2020, CAPEX decreased as some projects were delayed due to issues associated with the COVID-19 pandemic and available resources. CAPEX is projected to increase going forward into 2022 as projects proceed including a chilled water unit, cooling water infrastructure improvements, and a fire water storage tank. No change in OPEX is anticipated at this time.

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	Eastman's process for identifying and assessing risks and opportunities associated with water is coordinated by a working team with guidance from the Executive Team and oversight by the Board of Directors. The Issue Management Council, facilitated by the Emerging Issues Director, along with the Sustainability Council assess emerging issues and work to identify strategies that can mitigate risks and seize opportunities across multiple functions. Eastman is taking steps to proactively understand and address water issues. Eastman plans to utilize scenario analysis and engaged a third-party sustainability consultant in 2020. We expect the scenario analysis will be completed in 2021. Additionally, Eastman developed an internal natural hazard and weather tool to assess risks. The tool has been piloted with several sites; issues/questions identified are being addressed and broader distribution and use of the tool will be implemented as appropriate.

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

Yes

**Please explain**

Project financials are based on internally developed pricing for all utilities. This pricing was developed using a model that estimates the total cost of water, including treatment and delivery. In addition, this model estimates how every other utility impacts water use and incorporates the impact of total water cost in the internal pricing of all other utilities. This methodology ensures that project evaluations capture the total upstream impact on water use and costs.

## W8. Targets

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### W8.1

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**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Site/facility specific targets and/or goals Brand/product specific targets and/or goals	Goals are monitored at the corporate level	Qualitative goals have been established at the corporate level. For example, providing access to safely managed Water, Sanitation and Hygiene (WASH) in workplace is a corporate level goal. At the corporate level, best practices for water reuse and conservation have been developed. Qualitative goals have been established for specific sites. For example, two sites have goals to reduce dependency on municipal water and use lower quality water when appropriate in process areas. Most manufacturing sites measure condensate return and have established targets that are monitored at the site level.

### W8.1b

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**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Other, please specify (Adherence to best practice in water management)

**Level**

Company-wide

**Motivation**

Increase freshwater availability for users/natural environment within the basin

**Description of goal**

Identification of best practices and assessment against those. This is a company-wide goal because of the world-wide importance of water. While a limited number of Eastman sites are in water constrained areas, water availability is a growing concern and should be addressed at all sites. Eastman believes that developing a list of best practices (through cooperation with the US Department of Energy and the Lawrence Berkeley National Lab) and rating sites against those will establish a baseline for responsible water management. It will also identify which sites are better performers and promote sharing across the sites. Eastman water experts distribute a questionnaire to the sites and then follow up to discuss answers provided and make adjustments for consistent application across the company.

**Baseline year**

2010

**Start year**

2014

**End year**

2025

**Progress**

Eastman worked with the DOE and Lawrence Berkeley National Lab to better understand the energy/water nexus and best practices being employed by other industrial companies in the DOE Better Plants Challenge Program. Eastman then developed best practices for water conservation and assessed the performance by its larger sites against these best practices. Eastman maintains a scorecard to show which sites completed the survey and their score as assessed against the best practices. Initial efforts focused on establishing the baseline. Progress will be tracked over time.

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## W9. Verification

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### W9.1

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**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we are waiting for more mature verification standards and/or processes

## W10. Sign off

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## W-FI

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(W-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.

### W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

### W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

## SW. Supply chain module

### SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	

### SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

### SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

### SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Please select	

### SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

### SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

### SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	<b>I am submitting to</b>	<b>Public or Non-Public Submission</b>	<b>Are you ready to submit the additional Supply Chain questions?</b>
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