

Task Force on Climate-related Financial Disclosures index

The Task Force on Climate-related Financial Disclosures (TCFD) helps companies understand what financial markets want from disclosure in order to measure and respond to the effects of climate change. Eastman has monitored the development and adoption of the TCFD framework recommendations and use them as a guide to assess climate-related risks and opportunities. This index provides the location of Eastman's information pertaining to the TCFD framework recommendations, categorized by governance, strategy, risk management, and metrics and targets.

Disclosure focus area	Disclosure	Response 2021	Reference
Governance			
Disclose the organization's governance around climate-related risks and opportunities.	a.) Describe the board's oversight of climate-related risks and opportunities.	Eastman's Environmental, Safety and Sustainability (ESS) Committee of the Board of Directors and other committees, as appropriate, are responsible for climate-related risks and opportunities.	CDP Climate Change Response (C1.1b) ESS Committee charter and 2021 Proxy Statement (p. 29) CDP Water Security Response (W6.2b)
	b.) Describe management's role in assessing and managing climate-related risks and opportunities.	Eastman's Chief Sustainability Officer, a member of the Executive Team, presents climate-related risks and opportunities to the ESS Committee. These issues are managed through the company's cross-functional issue management process.	CDP Climate Change Response (C1.2 , C1.2a) CDP Water Security Response (W6.3)

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Disclosure focus area	Disclosure	Response 2021	Reference
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	a.) Describe the climate-related risks and opportunities Eastman has identified over the short, medium, and long term.	<p>Risks</p> <p>Transition – Policy and Legal: Current carbon pricing regulation; emerging carbon pricing regulation</p> <p>Physical – Acute: Increased frequency of extreme weather events</p> <p>Opportunities</p> <p>Resource efficiency: Returns on investment in energy efficiency projects</p> <p>Products/services: Advanced circular recycling</p> <p>Markets: Access to new markets through climate-related products and solutions</p>	<p>CDP Climate Change Response (C2.1, C2.2, C2.2a, C2.3, C2.3a, C2.4, C2.4a)</p> <p>CDP Water Security Response (W4.3a)</p> <p>Eastman and the circular economy</p> <p>10K SEC disclosure risks and opportunities related to climate change (p. 8, 22, 63)</p>
	b.) Describe the impact of climate-related risks and opportunities on Eastman's businesses, strategy, and financial planning.	Climate-related risks and opportunities impact, in different ways, Eastman's products and services, supply chain, investment in R&D, and operations. Eastman's use of an internal carbon price to illustrate future carbon pricing mechanisms is an example of how climate impacts the company's capital expenditures.	<p>CDP Climate Change Response (C2.3a, C2.4a, C3.1)</p> <p>CDP Water Response (W4.3a, W7.1)</p> <p>10K SEC disclosure 'Risks Related to Regulatory Changes and Compliance' (p. 63)</p>
	c.) Describe the resilience of Eastman's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Eastman started preliminary work on climate scenarios in 2019, evaluating the potential impacts of physical risks with a Woods Hole Oceanographic Institution scientist. The company also piloted a climate adaptation risk tool for evaluating short- and medium-term natural hazard and weather risks at its locations in Europe. Building on these results, Eastman initiated a detailed project to conduct a climate scenario analysis in 2021, which should be complete 2022. Eastman has contracted with an internationally recognized climate and sustainability consulting firm to guide this climate scenario analysis, consistent with the TCFD framework recommendations as well as the Intergovernmental Panel on Climate Change (IPCC) scientific report on scenario projections.	<p>CDP Climate Change Response (C3.1a)</p> <p>CDP Water Response (W7.3)</p>

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Disclosure focus area	Disclosure	Response 2021	Reference
Risk management			
Disclose how the organization identifies, assesses, and manages climate-related risks.	a.) Describe Eastman's processes for identifying and assessing climate-related risks.	<p>Climate-related risks and opportunities are identified and assessed alongside circular economy, chemical management, environmental, tax, and trade issues through Eastman's issue management process.</p> <p>Climate-related risks are considered as physical and/or transition risks and monitored alongside climate-related opportunities on an ongoing basis. Eastman defines short-, medium-, and long-term time horizons as 0–3 years, 3–10 years, and 10–30 years, respectively.</p>	<p>CDP Climate Change Response (C2.2, C2.2a)</p> <p>CDP Water Security Response (W3.3a)</p>
	b.) Describe Eastman's processes for managing climate-related risks.	<p>As part of the issue management process, Eastman's Climate & Carbon Working Group and designated issue stewards track, prioritize, and present the most substantive climate issues to Eastman's business units on a regularly scheduled interval to ensure alignment with the company's strategic business decision-making.</p>	<p>CDP Climate Change Response (C2.2)</p> <p>CDP Water Security Response (W3.3d)</p>
	c.) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into Eastman's overall risk management.	<p>Eastman's issue management process is overseen by the company's Issue Management Council, which is comprised of a diverse, global team of cross-functional leaders from several areas of the company. This includes enterprise risk management (ERM), which manages all risks across the company and is linked to the Audit Committee of the Board of Directors.</p>	<p>CDP Climate Change Response (C2.2)</p> <p>CDP Water Security Response (W3.3a)</p>

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Disclosure focus area	Disclosure	Response 2021	Reference
Metrics and targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a.) Disclose the metrics used by Eastman to assess climate-related risks and opportunities in line with its strategy and risk management process.	Eastman uses several climate-related metrics to track progress and performance. These can be found in Eastman's ESG Datasheet . Metrics include Scope 1, Scope 2, and Scope 3 emissions as defined by the widely accepted GHG Protocol Corporate Accounting and Reporting Standard. Eastman also uses an internal carbon price for its financial analysis of strategic business and investment decisions.	CDP Climate Change Response (C1.3a , C4.2 , C4.5a , C9.1 , C11.3a) CDP Water Security Response (W1.2 , W7.4 , W8.1)
	b.) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Scope 1: 5,001,259 (metric tons CO ₂ e) Scope 2 (location based): 1,371,734 (metric tons CO ₂ e) Scope 3 (upstream)*: 10,659,550 (metric tons CO ₂ e)	CDP Climate Change Response (C5.1 , C6.1 , C6.2 , C6.3 , C6.5 , C6.10 , C7.1 , C7.1a , 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 , C7.5 , C7.6b , C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7)
	c.) Describe the targets used by Eastman to manage climate-related risks and opportunities and performance against targets.	Targets Eastman is committed to reducing absolute Scope 1 and 2 greenhouse gas emissions by one-third by 2030 and aspires to be carbon neutral by 2050 from a baseline year of 2017. Performance 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.	CDP Climate Change Response (C4.1 , C4.2) CDP Water Security Response (W8.1) Sustainability Report 2020

*Reported upstream Scope 3 emissions include purchased goods, fuel and energy, business travel, and employee commuting. Eastman is working to better understand its Scope 3 emissions and will disclose against more categories as data is collected.