

EASTMAN

Sustainability at Eastman

Moving forward together

Sustainability Report, June 2014

Covering the period January–December 2013



About this report

Sustainability reporting at Eastman, as with sustainability overall, has been a journey focused on continuous improvement. We have placed increased focus on sustainability reporting in recent years, with a commitment to being transparent about our strengths and areas for improvement.

Eastman began reporting on our environmental, health, safety and security performance in 1992 when we initiated comprehensive Responsible Care® annual reports. In 2009, we issued our first review of sustainability initiatives at the company. Then in 2011, we took reporting to the next level and issued a [sustainability report](#) and corresponding [Global Reporting Index \(GRI\) supplement](#). In 2013, we issued a [Sustainability Progress Update](#) offering a look at our progress against our stated sustainability goals.

This latest report, *Moving forward together*, is a comprehensive GRI-compliant review that reflects Eastman's expanded global scope since our acquisition of Solutia and addresses all aspects of sustainability across our business. The report focuses primarily on our progress and challenges in 2013 and includes data for the year ending December 31, 2013. The report covers Eastman's wholly owned operations and is inclusive of Solutia as an integrated part of Eastman's global business.

Eastman collected the data included in this report through several information management processes, including instrumentation, monitoring, sample collection and analysis, engineering estimates, material balances and other methods. Eastman has rigorous internal policies and practices that provide assurance about the accuracy and content of this report, including the completion of internal audits in conformance with standards set by the Institute of Internal Auditors (U.S.).

Determining report content

To determine content for this report, we considered topics of significance and indicators that are most relevant to our internal and external stakeholders. We examined our business opportunities and risks, and we evaluated external trends relating to our business. We sought feedback about our sustainability reporting and performance from a range of stakeholders including employees, customers, industry peers and nongovernmental organizations (NGOs). Additionally, we engage a varied list of stakeholders on an ongoing basis for new ideas and thinking. We have and will continue to improve our sustainability management and reporting based on this and future input.

At Eastman, the question we continue to ask ourselves is how to minimize our footprint while producing the thousands of products and technologies that a globalized customer base increasingly requires. We take the concept of sustainable stewardship — to the planet, to our company, and to our communities — very seriously, as we hope is evidenced by the content of this report.

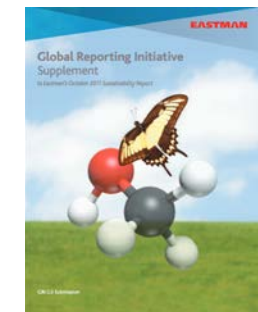
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2011 Sustainability Report



2011 GRI Supplement
(published 2012)



2013 Sustainability Supplement

Letters to our stakeholders

Mark Costa, *Chairman and Chief Executive Officer*

Since the publication of our last report, I am honored to have become Chief Executive Officer of a company that considers sustainability as an essential component of its business. I am convinced that our commitment to sustainability delivers significant benefits to our company and to all of our stakeholders.

At Eastman, sustainability serves as a lens for how we do business and encompasses the triple bottom line — environment, social and economic. Not only does sustainability influence the way we think; it determines the way we act. Without a doubt, our approach to sustainability is crucial to the future success and growth of Eastman.

Sustainability is about creating innovative products that help make the world a better place while driving improved cost and energy efficiencies throughout our operations. Sustainability is also about providing a fulfilling place for our employees to work and nurturing positive relationships with people in the local communities wherever we are in the world. Quite simply, we view sustainability as both “good business” and the right thing to do.

Eastman’s growth strategy is focused on innovation. Our customers are increasingly looking for solutions that combine enhanced performance and durability with improved environmental and safety characteristics. We believe Eastman is uniquely positioned to meet these demands.

We have made excellent progress with our development of sustainably advantaged products. The acquisition of Solutia in 2012 expanded our portfolio and deepened our penetration in industries such as transportation and building and construction. Our product innovations range from BPA-free copolyesters and non-phthalate plasticizers to advanced interlayers, additives for tires and performance films.

A top priority for everyone at Eastman has been improving the energy efficiency of our operations, and we are proud of our results to date. For the third consecutive year, we’ve been recognized by the Environmental Protection Agency (EPA) as an

ENERGY STAR® Partner of the Year, achieving Sustained Excellence in 2014. Eastman is the only chemical company to receive the award more than once, demonstrating our commitment to improving and maintaining the company’s energy performance.

None of this good work would be possible without the dedication of our team members. I salute their exemplary efforts to continuously look at ways to manufacture better products using fewer raw materials and less energy. The men and women of Eastman are committed to doing the right thing without being told. Our ability to further integrate sustainability into our culture is a direct result of the outstanding work our team members do every day.

I strongly believe that the chemical industry plays a pivotal role in identifying new sustainable solutions to address global challenges. Eastman’s ability to do that is dependent on our ongoing collaboration with all our valued stakeholders, which is why we’ve titled this year’s report, ***Moving forward together.***

Although we’ve made progress, there is always room for improvement. We have continued work to do. We are up for the challenge, and we’re eager to embrace new opportunities that will continue to emerge as the needs of the world evolve.



Mark Costa
*Chairman and Chief
Executive Officer*



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Letters to our stakeholders, *continued*

Godefroy Motte, *Chief Sustainability Officer*

Moving forward together

As a producer of ingredients others use in the formulation of their products, Eastman fully understands the importance of relationships. It is through productive partnerships with customers, suppliers, industries, universities and government and nongovernment organizations that we can achieve meaningful results for the benefit of the environment, society and our bottom line.

Because we know the challenges facing our world cannot be solved by one company alone, we are active with peers and partners in associations like the [World Business Council for Sustainable Development](#). In these WBCSD projects, we strive for full value chain cooperation to develop solutions on important sustainability issues like energy efficiency, safe material usage, and holistic life cycle management.

In the same spirit of collaboration, last year Eastman organized a full-wrap label consortium to identify solutions to the issues impacting the plastics recycle stream for polyethylene terephthalate (PET) bottles. The group includes members from more than 30 companies across the value chain, and we are working together on solutions to improve the rate and types of plastics in closed loop streams.

We also understand the importance of continuously improving our own manufacturing processes. Through our longstanding adherence to quality management principles and voluntary commitments like Responsible Care®, we continue to integrate more sustainable practices in our systems and processes, both inside our fences and across our supply chain.

Our employees deserve special recognition for being the key drivers of our sustainability efforts. They contribute energetically and tirelessly to achieve our ambitious sustainability goals. It is our people, working together with our stakeholders that enable us to move forward sustainably and successfully.

An ever-constant priority is ensuring our people are safe, and we continue to invest in new programs to improve the safety of our team members, operations and communities. And, we have increased our commitment to employee health and wellness with new initiatives designed to provide a better quality of life for our employees and their families.

My priority, as Eastman's Chief Sustainability Officer, is that sustainability is fully embedded in our company. The nature of sustainability means that our work will never be completed. It is a continuous process of improvement. Eastman has much to learn and much to do, and we understand our responsibility to continue advancing our work.

In acknowledgement that we cannot succeed alone, I welcome your feedback on our report and our sustainability strategy. I look forward to working with all our stakeholders in raising the sustainability bar and ***moving forward together***.



Godefroy Motte
Chief Sustainability Officer



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Eastman's impact and value chain

Sustainability issues impacting our business and supply chain

Throughout this report, you will find information pertaining to our economic, environmental and social impacts and, more broadly, how Eastman is working to meet the needs of the present without compromising the needs of future generations.

We look beyond our own walls and assess Eastman's impact as part of our overall value chain, which includes:

Eastman stakeholders and the issues they care about



Eastman is working to create value through economic growth, environmental stewardship and social responsibility now and for future generations.

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Megatrends, opportunities and risks

Megatrends developing globally present both business opportunities and risks for Eastman.

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Global trends/issues

Growing global middle class

Growing global middle class with increased demand and disposable incomes (increasing consumerism)

Environmental constraints

Environmental constraints on ever-stressed natural resources

Health and wellness

Opportunities and risk for Eastman

- High energy prices, especially in emerging markets
- Population growth resulting in urbanization challenges
- Global middle class growing by >70 million people annually, led by Asia
- Increasing need for "cradle-to-grave" life cycle analyses on products
- Financial viability

- Energy efficiency standards driving innovation in transportation and building and construction
- Changing regulations relating to energy and emissions
- Growing demand for safe, innovative solutions that reduce waste, are more efficient and reduce energy use
- Increasing demand for supply chain efficiencies
- Water and resource scarcity

- Tightening health and consumer protection regulations and chemical safety
- Aging population and rising health care cost
- Community engagement and philanthropy
- Increasing demand for responsible, ethical leadership practices

Sustainability strategy

To seize opportunities presented by these external trends, mitigate our risks and grow our company responsibly, Eastman's sustainability strategy is focused on the following core priorities:

- Consideration of sustainability-based trends as part of growth investment macro-trend analysis
- Continued innovation to meet customers' needs for safe [sustainably advantaged products](#)
- Exploration and pursuit of ways to reduce our energy consumption and [improve our energy efficiency](#)
- Support of programs and policies that drive conservation of natural resources and [raw materials](#) throughout the value chain
- Development of global, integrated [advocacy process](#) for emerging sustainability issues awareness
- Ongoing commitment to improving [safety of people and products](#)
- Enrichment of the [communities](#) in which we live and work
- Support and development [of our people](#)

Eastman recognizes that successful execution of these strategies requires collaboration [inside](#) and [outside](#) our company. Only by *moving forward together* with others can we make meaningful progress and have a positive impact on our customers, employees, investors, communities and the planet.

Key: Three pillars of sustainability

● Sustainable growth
 ● Improved footprint
 ● Social investment

Stakeholder engagement

Eastman appreciates that we can only be our best if we listen to and learn from others. We are committed to partnering with stakeholders across the company's value chain and identifying these stakeholders based on community engagement activities, key customers and suppliers, investor relations' initiatives and societal concerns. We are constantly broadening our stakeholder engagements to focus on strategic sustainability issues with key influencers across our value chain, including designers, academics, governmental organizations and NGOs.

We make it a priority not only to be forthcoming in sharing information about Eastman but also to solicit and act on ideas and input from others.

Stakeholder engagement is an ongoing process between the company and the stakeholder. The goal of engaging stakeholders at the corporate, regional and local levels is to advance the company's business objectives while building Eastman's reputation. Given the diversity of our company and our global locations, our approach to and frequency of stakeholder engagements vary and are determined at both the Corporate

and regional levels. For example, we hold annual individual feedback sessions with selected strategic customers and NGOs. In 2013, we began an electronic sustainability survey with strategic indirect suppliers, and we conduct [community surveys](#) at our manufacturing sites that have at least 300 employees. We also engage employee groups with online surveys following town hall meetings and each publication of our sustainability report. Additional examples of engagements in 2013 include [Community Advisory Panels](#) that meet several times throughout the year, ongoing customer engagements, trade associations, policy groups, suppliers, investors and shareholders.

Eastman is committed to being an active voice in our industry, sharing leading practices on sustainability through our active participation in [The World Business Council for Sustainable Development](#) (WBCSD), [Responsible Care](#)[®], [The American Chemistry Council](#) (ACC), [The European Chemical Industry Council](#) (Cefic), The U.S. Environmental Protection Agency's [ENERGY STAR](#)[®] program, [The Business Roundtable](#) and Department of Energy [Better Buildings, Better Plants](#) program, among [others](#).



RESPONSIBLE CARE[®]
OUR COMMITMENT TO SUSTAINABILITY



The Community Advisory Panel for Eastman's international headquarters in Kingsport, Tennessee, (below) is comprised of a cross section of the community.



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Economic

- Achieved **fourth consecutive year** of earnings growth
- Launched "Project Inspire," investing **\$1.6 billion** and adding **300 jobs** over the next seven years
- Expanded **product capacity** for Eastman Tritan™ copolyester, Eastman 168™ non-phthalate plasticizer and Therminol®
- Launched **six** new sustainably advantaged products, including Eastman Omnia™ high-performance solvent and Eastman Effusion™ plasticizer
- Achieved **54%** of sales revenue from outside North America



Environmental

- Recognized for **ENERGY STAR®** Partner of the Year Sustained Excellence
- Achieved **ZERO waste to landfill** at Eastman site in Ghent, Belgium
- Launched project to convert six boilers from **coal to natural gas** at Springfield site by 2016 and Kingsport by 2017
- Organized the **Full-Wrap Label Consortium**, a cross-value-chain coalition of more than **50 companies** developing solutions to positively impact the U.S. plastics recycle stream
- Collaborated to produce guidance on calculating and claiming avoided emissions across the full-value chain as part of the WBCSD Chemical sector's **Reaching Full Potential** project



Societal

- Recognized by **Glassdoor®** as the #4 Employee's Choice Best Place to Work
- Recognized by the Ethisphere® Institute as a **2014 World's Most Ethical Company®**
- Selected as Secretary of Defense Employer **Support Freedom Award** recipient
- Achieved best-ever performance of **0.13** distribution incidents per thousand shipments
- Contributed approximately **10,000 hours of company-sponsored volunteer service** to a variety of community projects
- Achieved milestone of **10 years** without a **Day Away From Work (DAW)** incident at Eastman's facility in Jurong Island, Singapore

Key: Three pillars of sustainability

● Sustainable growth
 ● Improved footprint
 ● Social investment

Our business

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Eastman is a global specialty chemical company that produces a broad range of materials that are found in household and commercial products used throughout the world every day. Founded in 1920, we are today a \$9.4 billion business with approximately 14,000 global employees and manufacturing sites in North America, Latin America, Europe and Asia that serves customers in approximately 100 countries.



Where we are

Headquartered in Kingsport, Tennessee, Eastman operates 45 manufacturing sites in 16 countries. Site profiles and specific information about each of our facilities around the world can be found at www.eastman.com/Company/Worldwide.

\$9.4 billion business
 \$\$\$\$
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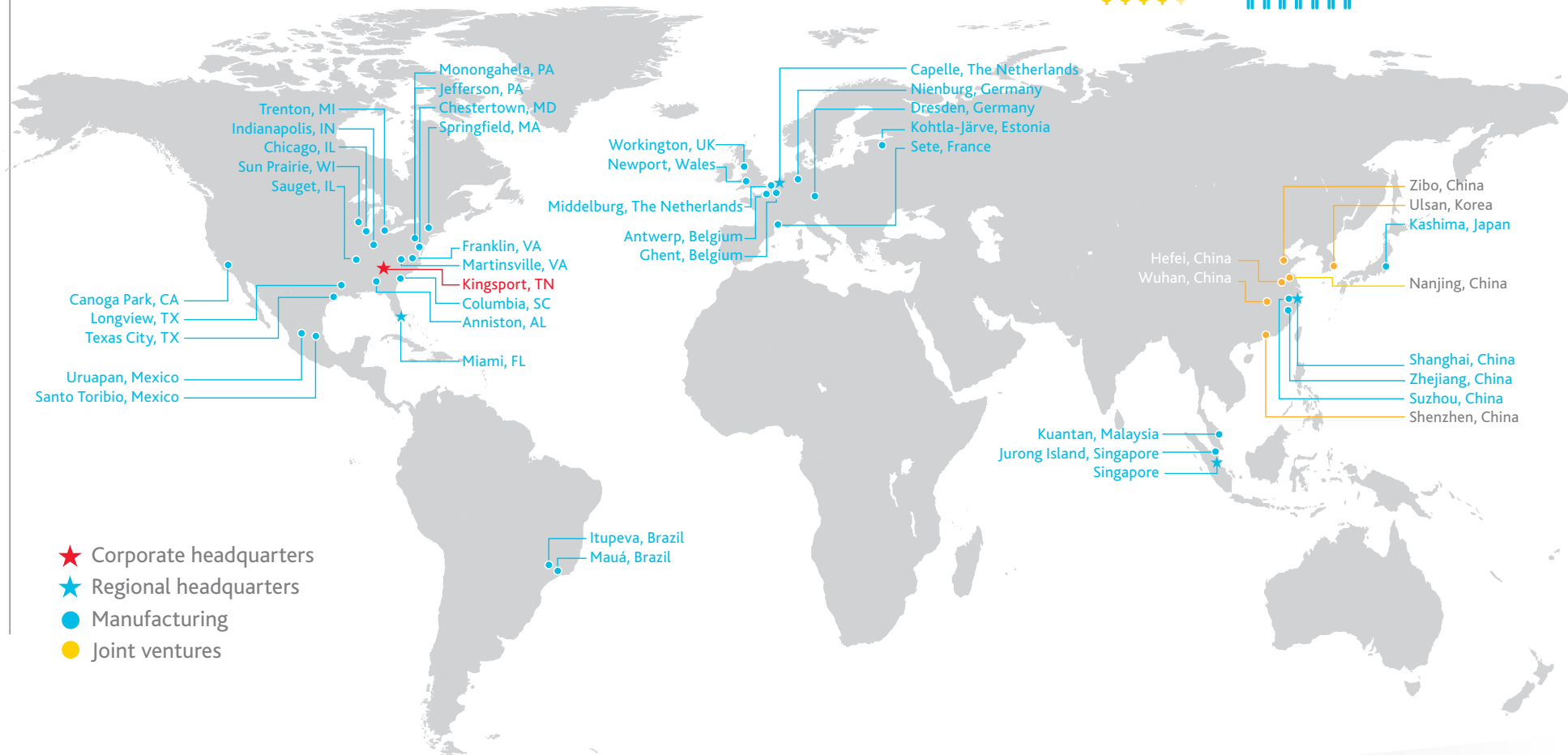
14,000 global employees


100 countries


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Markets we serve

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Click the image to link to more information about each market area.

How we operate

Eastman serves our customers through five core business segments.

Two-thirds of our sales revenue is from product lines in leading market positions:



Additives and Functional Products

In the Additives & Functional Products segment, Eastman manufactures chemicals for products in the coatings and tire industries in transportation, building and construction, durable goods and consumables markets. Key technology platforms include rubber additives, cellulosic polymers, specialty ketones and coalescents, polyester polymers and hydrocarbon resins.



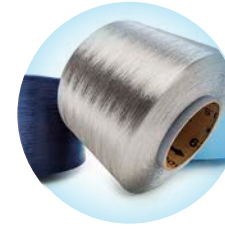
Adhesives and Plasticizers

The Adhesives & Plasticizers business segment manufactures adhesive resins and plasticizers which are used in the manufacture of products sold into the consumables, building and construction, health and wellness, industrial chemicals and processing, and durable goods markets. The products manufactured in this segment are formulated into finished products by our customers and allow the business to focus on developing long-term, strategic relationships with the customers that enable them to innovate and grow in their end markets.



Advanced Materials

Eastman's Advanced Materials segment is a combination of three businesses: Interlayers, Performance Films and Specialty Plastics. The segment produces and markets specialty copolyesters, cellulose esters, interlayers and aftermarket window film products for a variety of end uses in the transportation, consumables, building and construction, durable goods, and health and wellness markets.



Fibers

In the Fibers business segment, Eastman manufactures and sells acetate yarns and acetate tow, as well as cellulose acetate flake and acetyl raw materials for other acetate fiber producers. Each of these product lines serves its own unique customers and markets, including apparel, home furnishings, industrial fabrics and cigarette filter manufacturing.



Specialty Fluids and Intermediates

The Specialty Fluids and Intermediates segment leverages large scale and vertical integration from the acetyl and olefins streams and proprietary technology for specialty fluids to manufacture diversified products that are sold externally for use in markets such as industrial chemicals and processing, building and construction, health and wellness, and agriculture as well as used internally by other segments of the company.

Eastman's continued innovation meets customers' needs for safe, sustainably advantaged products that we all use, every day.



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Continued growth

Sustainability is at the heart of our performance progress.

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"Our outstanding results in 2013 represent the fourth consecutive year of strong growth for Eastman. This high level of performance continues to be driven by our market-leading businesses, balanced cash flow and the significant actions we have taken to improve our portfolio."

— Mark Costa, Chairman and Chief Executive Officer

The past year has been one of continued growth for Eastman. We made substantial progress toward the integration of Solutia, a global leader in performance materials and specialty chemicals. The Solutia acquisition has helped to broaden Eastman's geographic reach and our portfolio of sustainably advantaged products. Today, more than ever, Eastman is centered on driving continued growth by putting chemistry and innovation to work to meet the demands of a changing world.

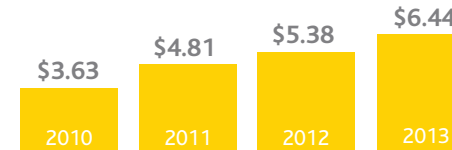
Sustainability is at the heart of our growth platform. Since 2010, more than half of our new product launch revenues were from sustainably advantaged products. These [technology and product launches](#) include everything from enabling low-VOC automotive paint, to meeting increased demand for non-phthalate plasticizers, to our EPA award-winning Eastman GEM™ technology.

2013 financial performance

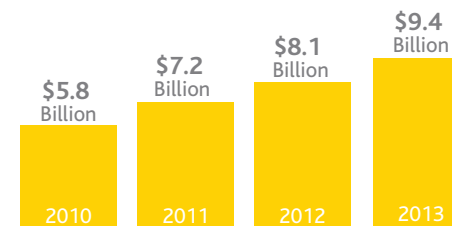
- Eastman was among the largest U.S. chemical companies with above average operating earnings and margins.
- Operating earnings in 2013 were \$1.6 billion, up from \$1.3 billion in 2012, excluding noncore or nonrecurring items on a pro forma combined basis.
- Sales revenue grew 3% in 2013 to \$9.4 billion, on a pro forma combined basis.
- Geographic diversity is a source of strength; 54% of sales revenue in 2013 came from outside North America (46% NAR, 21% EMEA, 28% APR, 5% LAR).

Earnings per share, year-over-year growth

Excluding noncore or nonrecurring items



Sales revenue, year-over-year growth



2013



Growth

\$1.6
Billion
earnings



3%
Revenue
growth



54%
of sales from
outside
North America



Continued growth, *continued*

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Economic development projects and product capacity expansions

Eastman initiated several economic development projects and product capacity expansions in 2013, including:

- Launched a major economic development initiative called "Project Inspire." As part of this project, the company will invest \$1.6 billion in its Kingsport, Tennessee, site and add 300 jobs over the next seven years. Project Inspire includes safety and environmental projects, increased warehouse capacity, building renovations and expansion of the corporate campus. Project Inspire will allow us to build on our nearly 100-year heritage of innovation.
- Expanded its Eastman Tritan™ copolyester capacity from 60,000 metric tons to 76,000 metric tons to meet increasing demand for the material, with completion of the project expected by mid-2014.



A rendering of Eastman's new Corporate Business Center, part of "Project Inspire," expected to be completed in 2015.

- Announced plans to expand capacity of [Eastman 168™ non-phthalate plasticizers](#) at its manufacturing facility in Texas City, Texas. The expansion will increase overall capacity for Eastman 168™ non-phthalate plasticizers by approximately 15% and is expected to be operational by mid-2014.
- Broke ground on a capacity increase for [Therminol®](#) heat transfer fluids, which can be used in concentrated solar panels for renewable energy. Located in Newport, Wales, the facility is expected to be operational in the second half of 2014. The facility will increase Eastman's total capacity for Therminol by more than 50%.
- Announced \$40 million investment to expand its manufacturing operations at its Martinsville, Virginia, site. The facility is one of the largest and most integrated window and performance-coated film manufacturing sites in the world. The investment will include infrastructure and technology upgrades, warehousing improvements, environmental, safety and reliability enhancements, and production capacity expansions to support growth.



Marketed and safely used for more than 30 years, Eastman 168 has an extensive toxicological profile that demonstrates its suitability in sensitive applications such as toys, child care articles, food contact materials and medical devices.



Strategic priorities

Sustainability is at the heart of our growth platform.

Since 2008, Eastman has been on a steady evolution from a commodity chemical company to a specialty chemical company that leverages innovation to address customer needs and global market trends. We have secured leadership positions in our [end markets](#) and have developed innovative solutions and technologies to fuel our continued growth.

As Eastman continues to drive long-term growth, we have prioritized the following **core strategies**:



Innovation

Winning with the customer through innovation

- Continued expansion of our innovation pipeline, including our sustainably advantaged product pipeline, to meet customers' needs and address global trends



Productivity

Strengthening our competitive position through productivity

- Improve efficiency and focus on high-value work to boost our competitiveness
- Invest in and evolve processes and technologies that increase efficiency and reduce waste across our business



Portfolio

Leveraging acquisitions to improve our portfolio

- Explore opportunities to expand our product portfolio and market share through smart acquisitions that further our business and sustainability performance

Eastman is committed to discovering, developing and innovating practical solutions that meet persistent and emerging needs in ever-changing global markets, all the while remaining dedicated to incorporating sustainability in everything we do. This approach requires our people to work tirelessly toward improvement. As such, we refuse to settle for the status quo and we'll continue to grow as a company by pushing the boundaries of science to bring new innovations and results for our customers.

Eastman's regional headquarters in Shanghai is strategically positioned to address global trends for sustainably advantaged products.

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Corporate governance and code of business conduct

Strong business results plus an unwavering commitment to core values

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"Eastman is dedicated to conducting all business activities in accordance with the highest legal and ethical standards. Ethics are critical to success because they build trust and confidence in our employees, customers, suppliers and communities in which we work and live. Being recognized by the Ethisphere® Institute in 2014 as one of the World's Most Ethical Companies® further reinforces our commitment to honesty, integrity and responsible corporate behavior inherent in the Eastman culture."

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

Eastman's decisions and actions — at the Board and management level, as well as at the individual employee level — are rooted in our [brand beliefs and corporate values](#). Eastman believes that it takes more than strong business results to build a great company. It also requires an unwavering commitment to our core values. The men and women of Eastman have created a culture where integrity is of the utmost importance and unethical behavior is not tolerated.

Eastman's [Board of Directors](#) has five committees — Audit; Compensation and Management Development; Finance; Health, Safety, Environmental, and Security (HSES); and Nominating and Corporate Governance — to provide compliance oversight with legal and regulatory requirements and oversee the development and management of policies and practices in their respective areas of responsibility. To view Eastman's Corporate Governance Guidelines and Committee Charters, visit [eastman.com](#).

Codes of conduct

Eastman is committed to conducting business with the highest standards of ethics and integrity, as well as in accordance with laws and regulations and company policy. Eastman's Code of Business Conduct was established for employees to understand the company's expectations and to raise awareness of legal and ethical issues that may arise. We realize today's business environment is complex, so we ensure that 100 percent of employees receive training on our Code of Business Conduct annually, and we ask each employee completing the training to certify his or her compliance with the Code. For more on Eastman's Code of Business Conduct, visit [Corporate Governance](#) or [Code of Business Conduct](#).

Eastman is also committed to ensuring the highest sustainability, fair labor practices, and safety standards throughout our global supply chain. We provide our [Supplier Code of Conduct](#) to our suppliers, which defines our expectations related to business ethics, as well as environmental and social responsibility. It also sets the expectation that our suppliers join Eastman in adopting sustainable practices and programs.



Sustainability leadership, participation and advocacy

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Sustainability Council

Strong business results plus an unwavering commitment to core values

Eastman's global sustainability strategy is guided by the leadership of Eastman's Sustainability Council. The Council, which held its inaugural meeting in 2010 and meets quarterly, provides direction on all corporate sustainability investments across the company, leveraging sustainability as a key driver of innovation and growth. Internally, the Council ensures collaboration and communication across all three dimensions of sustainability. Externally, the Council reinforces Eastman's active participation in the global sustainability journey. The Council also provides governance and prioritization of corporate level sustainability issues and goals.

Current Council members (left to right, page 17) include:

Steve Crawford, *Senior Vice President and Chief Technology Officer*

Etta Clark, *Vice President, Global Public Affairs and Policy*

David Golden, *Senior Vice President, Chief Legal Officer and Corporate Secretary*

Godefroy Motte, *Senior Vice President, Chief Regional and Sustainability Officer*

Tim Dell, *Vice President, Innovation, Marketing, Sales and Pricing*

Mark Cox, *Senior Vice President, Chief Manufacturing and Engineering Officer*

Eastman's Board of Directors oversees the company's corporate policy and overall performance to assure that the long-term interests of our stakeholders are being served. Eastman's Chief Sustainability Officer meets twice a year with the Health, Safety, Environmental and Security Committee, comprised of the full Board of Directors and responsible as the highest governing body overseeing the company's sustainability performance. For additional information, refer to Eastman's 2014 [Annual Proxy Statement](#).

Sustainability Council structure



The Council is structured as one governing body with four subcouncil teams representing the four focus areas of the Council: Trends-based Innovation, Design and Natural Resources, Environmental Stewardship, and Societal. The subcouncils are responsible for defining Eastman's economic, environmental and societal goals, tracking progress against goals, and working with the Council to outline and execute the company's sustainability strategy. Sustainability goals are a priority for Council members, evidenced by the inclusion of specific goals on personal performance commitments through the company's performance management program.

We also hold our employees accountable for Eastman's sustainability performance by equipping, training and [engaging them in all we do](#).

Eastman is an active participant in a variety of associations, leadership groups and initiatives that advance sustainability in the chemical industry and beyond. We are committed to sharing our ideas and best practices, and we are eager to learn through the insights and experiences of others. We appreciate and welcome our responsibility as a global company to actively contribute to finding solutions to challenges in our industry and the world at large:

- [Responsible Care](#)
- [European Chemical Industry Council \(Cefic\)/Reach](#)
- [World Business Council for Sustainable Development \(WBCSD\)](#)
- [Full-Wrap Label Consortium](#)

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Responsible Care

Eastman has been a leader in Responsible Care® for 25 years.

Responsible Care® embodies the chemical industry's commitment to the safe, responsible and sustainable management of chemicals through their entire life cycle. Eastman has been an active leader in Responsible Care since its inception 25 years ago. Through Responsible Care, Eastman, along with others in the chemical industry, is committed to:

- Continuously improving the environmental, health and safety performance of our technologies, processes and products;
- Using resources wisely and minimizing waste;
- Fostering responsible management of chemicals; and
- Maintaining open communications with stakeholders.



RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

Our participation in Responsible Care is a cornerstone of our corporate Health, Safety, Environment and Security (HSES) strategy and is integrated into the way we operate our facilities and conduct our business worldwide.

In 2013, Eastman had the honor of being named a Responsible Care Company of the Year in the large company category — the American Chemistry Council's (ACC) top honor. The award recognizes our HSES performance and our integration of the Responsible Care ethic throughout our organization.

Some of the specific accomplishments that contributed to Eastman receiving this recognition include:

Implementation of the corporate safety brand, [ALL IN FOR SAFETY](#), which underscores the company's commitment to safety anytime, anywhere



Safety

[Life cycle analyses](#) conducted on various product lines



Life cycle

Significant improvements in managing energy, improving energy efficiency and [reducing greenhouse gases](#)



Energy

Sponsorship of [Community Advisory Panels](#) active at our key sites



Health

[Responsible Care Management System](#) certifications at Eastman's corporate headquarters and six sites in the United States



Eastman was one of 16 American Chemistry Council (ACC) members honored at the annual ACC Responsible Care® Conference and Expo for implementing energy-efficiency improvements in 2013. Eastman received 5 of the 50 awards presented for outstanding projects, marking the 21st consecutive year the company has earned energy efficiency awards from ACC.



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Responsible Care in China

Eastman China advances Responsible Care.®

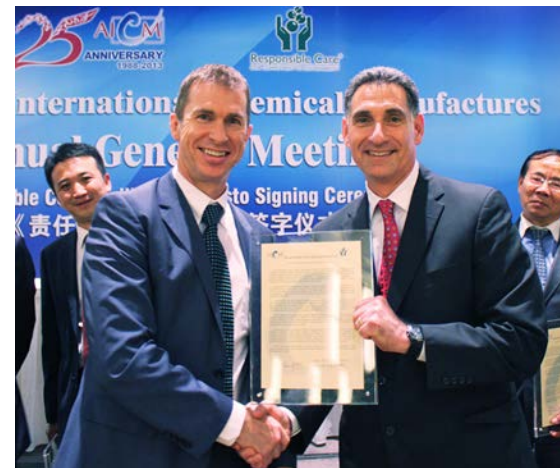
In 2013, Eastman China was honored with a Responsible Care® Merit Award by the Association of International Chemical Manufacturers (AICM) in recognition of its distinguished performance in the fields of sustainability and responsible care in China. Now, two Eastman joint venture sites, Zibo and Nanjing, have been certified for safety production standardization and the Nanjing site was named an [Excellent Safety Company](#) by the Nanjing Municipal Government and Chemical Industry Park.

“We are pleased to receive this honor recognizing our efforts in corporate social responsibility,” said Dr. Dante Rutstrom, Vice President and Managing Director of Eastman Asia Pacific. “Safety, environmental protection and health lie at the core of Eastman’s business. We will not only comply with local regulations and standards as always, but also collaborate with our partners to share best practices and foster a sound industry environment.”



In 2013, Eastman participated in the Responsible Care Project, held by the AICM at China’s top university, Tsinghua. The program allowed Eastman to showcase its work in the realm of sustainability to young minds who are working to improve the sustainability practices of the Chinese chemical industry.

For additional information about Eastman’s commitment to Responsible Care, [click here](#).



Eastman recently signed the Responsible Care® Beijing Manifesto with the Association of International Chemical Manufacturers (AICM) to further demonstrate our dedication to the sustainability of the industry in China.



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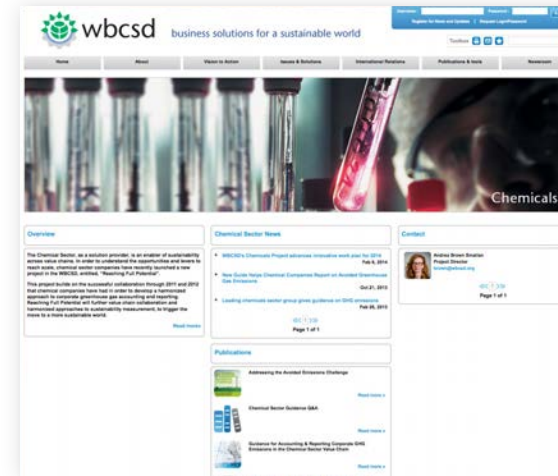
RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

Advancing sustainability worldwide

The World Business Council for Sustainable Development

In late 2012, Eastman joined The World Business Council for Sustainable Development (WBCSD), a CEO-led organization drawing together the global business community to create a sustainable future. Together with its 200+ member companies, the Council applies its respected thought leadership and effective advocacy to generate constructive solutions and take shared action on global challenges. As part of our involvement, we are collaborating with other leading corporations to develop a framework for action — from Vision 2050 to [Action2020](#). This framework is designed to rally the efforts of businesses to deliver economic, environmental and social promises made by Vision 2050, WBCSD's tool for thought leadership and a platform for beginning the movement toward a more sustainable future.

In addition to joining Action2020, Eastman is part of a subgroup of global chemical companies that are collaborating on a WBCSD project called [Reaching Full Potential](#). This project will further value chain collaboration and harmonized approaches to sustainability measurement. In 2013, one of the initiatives was the development of a comprehensive document for the chemical industry outlining guidelines to improve consistency in the assessment



Reaching Full Potential, a project with WBCSD.

and reporting of avoided emissions across the full value chain. The methodology applies life cycle assessment techniques to compare the difference in GHG emissions between competing value chain solutions, providing an indication of the degree to which chemical products enable GHG reductions throughout value chains and product life cycles. The document entitled "Addressing the Avoided Emissions Challenge" is publicly available for download through WBCSD and ICCA websites.



Industry groups, such as the International Council of Chemical Associations (ICCA) and the European Chemical Industry Council (Cefic), have joined the project as partners and are important to broadening the adoption and implementation of the sustainability solutions Reaching Full Potential will develop.

"Life Cycle Metrics" is a second Reaching Full Potential initiative completed in 2013 that establishes a voluntary set of best practices and rigorous guidelines on methodology and reporting. The participating chemical companies jointly developed a detailed technical guideline for conducting life cycle assessments (LCAs) of chemical products. The final document, scheduled to be published in the first half of 2014, is intended to improve the consistency, comparability and credibility of LCA studies within the chemical industry.



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Advancing sustainability worldwide, *continued*

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The European Chemical Industry Council (Cefic)



Eastman is committed to advocating for public policies and to complying with regulations that protect human health and the environment while promoting innovation and economic growth. As such, Eastman supports the goals of REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and actively works with The European Chemical Industry Council (Cefic) to implement the various REACH processes. The main objectives of REACH are to determine the hazards of chemicals and to carry out risk assessments to determine safe use of these chemicals. As part of this commitment, Eastman has volunteered to become Lead Registrant for a number of substances for 2013 registrations. The Lead Registrant is the company acting with the agreement of the other registrants of the same substance. Learn more about Eastman's involvement in [REACH](#).

Full-Wrap Label Consortium

In 2012, Eastman organized an industry group called the [Full-Wrap Label Consortium](#) to tackle issues surrounding polyethylene terephthalate (PET) bottles with full-wrap labels in the plastic recycle stream. The group is charged with understanding the issues being experienced in the recycle stream and developing near- and long-term solutions. The consortium now includes more than 100 representatives from approximately 50 companies, which is nearly double the number of participants since the first meeting. Member companies represent the entire value chain, including major brands, consumer goods manufacturers, resin producers, film extruders, print converters and label producers, equipment manufacturers, bottlers and packagers, plastics recyclers and independent testing firms.



Since the consortium began working on the issue, participants have been introducing new ideas and solutions. In August 2013, the Full-Wrap Label Consortium toured a PET recycling facility that uses delabeling equipment. Tests from this equipment showed very positive results with a majority of the labels being cleanly removed from the recycling stream. The group is continuing to look for solutions that will benefit the full-value chain for shrink labels and welcomes your help, ideas and support.

"The consortium has opened opportunities for collaboration that likely would not have happened without the formation of the group. Through discussions with members of the value chain during the consortium meetings, we've gained a better understanding of potential innovative solutions, including perforations and near infrared capabilities, as well as new equipment options available to the market. This level of collaboration is critical to solve complex sustainability challenges."

— Holli Alexander, Market Development Sustainability

Advancing sustainability worldwide, *continued*

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Participation in chemical, sustainability and business leadership groups

The American Chamber of Commerce (AmCham) in The Netherlands and Shanghai



Asia Pacific Economic Commission (APEC)

Association of International Chemical Manufacturers (AICM)

Asociación Nacional de la Industria Química (ANIQ)

Brazil-U.S. Business Council



Chemical Industry Council of Malaysia (CICM)

China Petroleum and Chemical Industry Association



EcoVadis



Full-Wrap Label Consortium

Hydrocarbon Resins, Rosin Resins, and Pine Chemicals Producers Association (HARRPA)



The Netherlands Chemical Industry Association: Vereniging van de Nederlandse Chemische Industrie (VNCI)



Singapore Chemical Industry Coalition (SCIC)

Society of Chemical Industry (SCI)



US-ASEAN Business Council

U.S. Chamber Asia Department

U.S. Chamber of Commerce (USCC)

US-China Business Council (USCBC)

U.S.-India Business Council



Sustainability goals & scorecard

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With our newly acquired sites and focused stakeholder feedback, Eastman has streamlined our sustainability goals into a clear set of aspirational core commitments. We remain focused on making a measurable positive impact on our business, people, customers, communities and planet. These next-generation goals raise the bar, focus our efforts, and keep our eye on the “big picture” targets.

300

200

100

Vision and goals

Aligning global trends, sustainability issues and goals

Global trends

Rising middle class

Environmental constraints

Health and wellness

Sustainability issues

Life cycle "cradle-to-grave" analyses

Energy

Community engagement

Financial viability

Water

Philanthropy

Supply chain efficiencies

Resource scarcity

Responsible/ethical leadership practices

Raw material and scarce resources

Legislation and regulatory changes (e.g., greenhouse gas emissions)

Product, personal and process safety

Healthy workforce

Aging population

Goal summary

Sustainable growth

Improved footprint

Social investment

- Ensure two-thirds ($\frac{2}{3}$) of revenues from new product launches is advantaged on assessed sustainability criteria by 2015
- Develop new businesses utilizing renewable feedstocks by 2020
- Complete LCAs on all new product family launches through 2015

- Reduce energy intensity by 20% by 2020
- Reduce greenhouse gas (GHG) emissions by 20% by 2018
- Reduce hazardous waste by 15% by 2020
- Develop a water conservation strategy for manufacturing sites in water-stressed regions by 2015

- Committed to a goal of zero workplace injuries and accidents
- Leverage academic partnerships and continue to invest at least one-third ($\frac{1}{3}$) of our company contributions to promote educational excellence
- Increase utilization of preventive services by employees and spouses in North America by 15% by 2017

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Scorecard

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

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Sustainable growth



Growth

Goal

Ensure two-thirds (2/3) of revenues from new product launches is advantaged on assessed sustainability criteria by 2015

Progress ●



Innovation

Goal

Develop new businesses utilizing renewable feedstocks by 2020

Progress ●



Life cycle

Goal

Complete LCAs on all new product family launches through 2015

Progress ●

Goals and Progress

In our previous sustainability reports, Eastman outlined sustainability goals focused on economic, environmental, and societal improvements. [Click here](#) for updates on these commitments.

Improved footprint



Energy

Goal

Reduce energy intensity by 20% by 2020

Progress ●



Greenhouse gas emission

Goal

Reduce GHG emissions by 20% by 2018

Progress ●



Hazardous waste

Goal

Reduce hazardous waste by 15% by 2020

Progress ●



Water

Goal

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

Progress ○

Social investment



Safety

Goal

Committed to a goal of zero workplace injuries and incidents

Progress ●



Education

Goal

Leverage academic partnerships and continue to invest at least one-third (1/3) of our company contributions to promote educational excellence

Progress ○



Health

Goal

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

Progress ○

PROGRESS KEY

○ New ● On Track
 ● Needs Improvement ✓ Met

Click on goal icons for more information.

Sustainable innovation

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Eastman's innovative products and materials make life safer and more convenient for people and businesses around the world. As a global leader in the diverse markets we serve, we pioneer sustainable innovations that lead to practical solutions for a range of challenges.

Sustainable innovation

Sustainably advantaged products are a key growth driver for Eastman.

Eastman's innovative products and materials make life safer and more convenient for people and businesses around the world. As a global leader in the markets we serve, we pioneer sustainable innovations that lead to practical solutions for a range of challenges — including improving the durability and safety of everything from food packaging and automotive paints to medical devices and building materials.

Developing innovative, sustainably advantaged products is a key growth driver for Eastman. Our customers want and need sustainable alternatives, and Eastman is well positioned to deliver them.

By 2015, Eastman's goal is to have two-thirds of our revenues from new product launches come from sustainably advantaged products, which we define as equal to or greater than the most sustainable alternative. We are well on our way to achieving this goal, as >60% of our new product revenue currently comes from sustainably advantaged products. Since 2010, more than half of our new product launch revenues were from sustainably advantaged products.

Eastman continues to invest in research and development for sustainable innovation and introduced six new sustainably advantaged products to the market in the past year.

Connecting design, innovation and sustainability

One area where Eastman sees the greatest opportunity for growth is in connecting the dots between design, innovation and sustainability. For Eastman, that means partnering with [customers](#), product designers, market researchers, engineers, [academics](#) and others to identify needs and develop new solutions to address them. We focus on understanding trends and behaviors and act on our insights and material connections to advance the world around us.

*Focusing Eastman's product research and development on addressing **two key challenges**:*

- 1** Making products that improve energy efficiency in use
- 2** Making safer products that work better

Eastman's Advanced Materials business segment includes EnerLogic® window film, a microthin window film that transforms poorly insulated windows into energy efficient ones by adding as much as 92% more insulation to glass.

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Sustainably advantaged products

Eastman's products are found in thousands of household and commercial products used around the world.

Highlights of some of our sustainably advantaged products are provided in the following. For additional details about Eastman's full range of sustainably advantaged solutions, [click here](#).

Eastman Aspira™ One polymer



Click on the image for more information.

A breakthrough polymer that provides a highly sustainable option for beverage packaging

Sustainable attributes

- Recyclable and compatible in the PET recycle stream
- Can be produced at lower temperatures, requiring less energy and producing less waste
- Enables the design of unique, clear and glossy containers — all free of bisphenol A (BPA) and halogens
- Provides chemical resistance, creating very durable containers

End-use product examples

- Beverage packaging
- Bottles
- Clear handleware
- Distilled spirits packaging
- Food containers
- Glass bottle alternative
- Household packaging
- Large liquid containers

Eastman BioExtend™ 30 and BioExtend™ 30 HP antioxidant solutions



Click on the image for more information.

Extends the shelf life of biodiesel and slows down the oxidation process

- Outstanding performance at low concentrations
- Low odor
- BioExtend 30 HP earned an ACQM no-harm certification, based on criteria for compatibility with biodiesel and B10 blends, engine oil, engine nozzle fouling and diesel additives

- Biodiesel fuel (BioExtend can be added at any point in the supply chain. Most often it's added to the fuel by the actual producer, but it can also be added by distributors or even end users.)

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Sustainably advantaged products, *continued*

Eastman Chromspun™ and Estron™ acetate yarns



Click on the image for more information.

Acetate yarn for woven and knit fabrics that offers sustainability advantages and luxurious look and feel

Sustainable attributes

- Industrially compostable
- Sourced from sustainably managed forests
- Biobased materials — 55+% of the carbon content is sourced from new carbon, such as trees vs. old carbon from fossil fuels.

End-use product examples

- Apparel fabric (suit linings, wedding dresses, graduation robes, women's wear knits)
- Velvets
- Decorative ribbons
- Window treatments and decorative home trimmings
- Medical tape

"Eastman's fully integrated fiber manufacturing process is not only a reliable operation but also a sustainable one. The technology behind fibers manufacturing allows it to use a broad range of wood pulps from a number of dependable sources of supply. As a result, Eastman Estron™ and Chromspun™ acetate yarns are considered biobased materials, with more than 55 percent of their carbon content being sourced from new carbon, such as trees versus old carbon from fossil fuels."

— Linda Hensley, Vice President and General Manager, Fibers Business

Santoflex® antidegradants



Santoflex prevents premature aging and degradation of rubber, making tires last longer.

- Increased tire durability and longevity translates to decreased use of raw materials, less frequent replacement of tires and fewer tires for disposal.

- Automotive tires

"Our products currently have leading positions in the coatings and tire industries. We are committed to sustaining those leadership positions through a continued commitment to world-class application and technology development and capability development of our sales, marketing and technology functions. The success we see today and the focus of our team members on innovating new, sustainable solutions give me confidence that we can continue the track record of delivering superior value to our stakeholders."

— Lucian Boldea, Vice President and General Manager, Additives & Functional Products



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Sustainably advantaged products, *continued*

Eastman Cyphrex™ microfibers



Eastman Cyphrex™ microfibers provide the potential for a unique, game-changing fibers tool kit. These microfibers offer tunable fiber properties of size, shape and material that provide the wet-laid nonwoven producers with new competitive advantages.

Sustainable attributes

- Offers nearly drop-in compatibility with existing wet-laid nonwoven processes
- Enables more sustainable solutions for our customers, including increased filtration efficiencies for higher purity materials and smaller filter footprint, allowing smaller system designs and less raw materials consumption

End-use product examples

- Ahlstrom uses Cyphrex microfibers in a new, best-in-industry fuel filtration media suited for fuel filters in passenger and commercial heavy-duty vehicles and off-road machinery. It is currently being evaluated for use in hydraulic applications.
- Air, water or fuel filtration
- Specialty papers
- Battery separators

Eastman Eastalite™ copolyester



Click on the image for more information.

A copolyester that is a sustainable alternative to high-impact polystyrene (HIPS) used for medical packaging. As a styrene-free product, Eastalite satisfies the unmet need for safe, sustainable and lightweight rigid medical packaging.

- Styrene free and free of other materials of concern (BPA, halogens, etc.)
- Meets biocompatibility requirements for medical devices
- Retains color stability and functional integrity following sterilization
- Strength and flexibility
- Satisfies more stringent Environmentally Preferable Purchasing guidelines

- Medical devices
- Toys
- Child care articles
- Food contact applications

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Sustainably advantaged products, *continued*

Eastman Effusion™ plasticizer



A non-phthalate plasticizer that is an efficient, fast-fusing solution for a variety of markets and applications, including transportation and household surfaces.

"A key to the success of the Adhesives and Plasticizers business is our approach to customer engagement. We have been very successful in working collaboratively with our customers on new products and applications. We're being recognized as a leader in formulating — making polymers and resins work together to meet customer and market needs."

—Erwin Dijkman, Vice President and General Manager, Adhesives & Plasticizers

Sustainable attributes

- Phthalate alternative
- Regulatory clearance
- Allows for reduced energy costs for manufacturers due to increased production line speeds and lower processing temperatures

End-use product examples

- Automotive underbody coatings and body seam sealers
- Flooring applications such as resilient sheet, luxury vinyl tile, vinyl composite tile and PVC-backed carpet
- Textile printing inks
- Coated fabrics
- Dipped molding applications, such as grips on tools

Kristalex™ and Plastolyn™ hydrocarbon resins



Kristalex 5140LV, Kristalex 3115LV
Kristalex 3100LV, Plastolyn 290LV

Click on the image for more information.

Introduced in 2013 in response to growing demand for low-VOC materials, this line offers the assurance of a certified, lower-volatility (lower volatile organic compounds or VOCs) pure monomer resin with the same outstanding performance of traditional pure monomer resins.

- Low VOC
- Water-white initial color
- Excellent thermal stability
- High cohesion

Kristalex products:

- Hot melt adhesives
- Clear sealants
- Coatings
- Laminating adhesives
- Rubber and plastic modification

Plastolyn 290LV:

- Shoe sole modification
- Contact adhesives
- Plastic modification

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Sustainably advantaged products, *continued*

Heat Mirror® insulating glass



Click on the image for more information.

An award-winning insulating glass that provides winter insulation and summer solar shading, resulting in year-round emerging savings.

Sustainable attributes

- Insulating and solar shading performance reduces energy costs and enhances comfort.
- UV protection
- Noise reduction
- Can be combined with a wide range of glass types and gas fills to meet specific requirements of insulation, visible light, and solar control

End-use product examples

- Can be used to retrofit any size commercial or residential building
- Has been used on everything from single family home windows to retrofitting all 6,500 windows of the Empire State Building

Once the project is complete, the building will save \$4.4 million a year and reduce carbon emissions by 105,000 metric tons over the next 15 years.

All Empire State Building information, monitoring and verification reports can be viewed at esbsustainability.com.

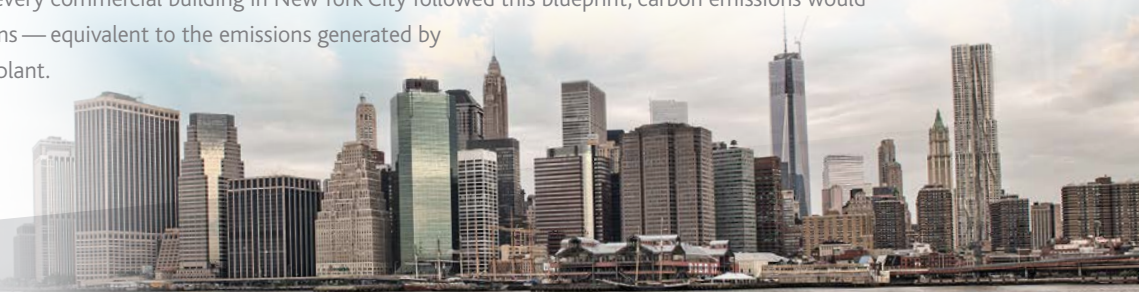
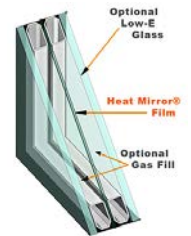
collaboration story

Heat Mirror helps Empire State Building slash energy costs.

With the help of Eastman's innovative Heat Mirror® insulating glass, in 2013, the iconic Empire State Building in New York City exceeded guaranteed energy savings for the second year in a row, saving \$2.3 million and providing a new model for building retrofits that is now being rolled out nationwide.

The retrofit project focused on eight innovative improvement measures addressing core building infrastructure, common spaces and tenant suites. Improvement measures included the refurbishment of all 6,514 windows with Heat Mirror. Once the project is complete, the building is expected to save \$4.4 million a year and reduce carbon emissions by 105,000 metric tons over the next 15 years.

In the United States, 40 percent of energy is consumed by buildings according to the World Business Council for Sustainable Development. In dense urban settings like New York City, commercial buildings account for up to 75 percent of energy used. If every commercial building in New York City followed this blueprint, carbon emissions would be reduced by 4 million tons — equivalent to the emissions generated by a typical coal-fired power plant.



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Sustainably advantaged products, *continued*

Saflex® PVB interlayers



Click on the image for more information.

An advanced interlayer technology for laminated glass that brings safety, security, acoustic, UV screening and other benefits to automotive and architectural glazing

Sustainable attributes

- Reduces summer solar heat gain, providing cooling savings (SHGC range, 0.23 to 0.81)
- Filters 99% UV rays
- Available in a wide range of Visible Light Transmissions from 0% to 90%
- Available in more than 17,000 color combinations
- Exceptional durability when exposed to natural weathering
- Security and storm* protection
- Safety glazing
- Enables hurricane* and bomb blast resistance
- Reduces outside noise (STC values from 30–50; OITC from 25–45 in various configurations)

End-use product examples

- Commercial and residential applications
- Large glass facades
 - Curtain walls
 - Storefronts
 - Skylights
 - Windows

Eastman Omnia™ high performance solvent



Click on the image for more information.

A new high-performance solvent that offers an exceptional combination of performance, safety, and value

- Removes a wide range of soils without harming surfaces
- Excellent toxicology profile
- Readily biodegradable
- Nonreactive
- Nonflammable
- Designed for neutral-pH formulations in a variety of light- and heavy-duty cleaners

*Miami-Dade County Building Authority Notices of Acceptance 14-0423.15, 14-0423.16 and 14-0423.17

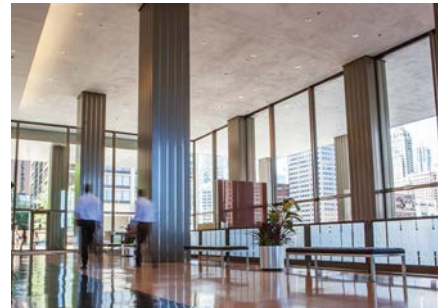
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Sustainably advantaged products, *continued*

EnerLogic® window film



Click on the image for more information.

A microthin window film that transforms poorly insulated windows into energy efficient ones by adding as much as 92% more insulation to glass

Sustainable attributes

- Plays an effective role in green building certification (e.g., LEED)
- Becomes carbon neutral faster than other window films (in less than 2 months after installation) and provides 14+ years of greenhouse gas reductions
- Fully compatible with high-efficiency lighting (no iridescent appearance)
- Eliminates materials going to landfills (frame and glass) by upgrading existing glass rather than replacing it
- Provides UV ray protection

End-use product examples

- Windows for commercial and residential buildings
- Received the Technology of the Year award from the Association of International Metallizers, Coaters and Laminators

collaboration story

Eastman architectural window films making a difference across Latin America

Since 2004, Eastman has worked closely with Natura, a leading cosmetics company in Brazil that shares Eastman's philosophy on the importance of sustainability. While our corporate relationship was initially built upon the use of Eastman's eco-friendly, CO₂-reducing cosmetics packaging applications, another sustainably focused Eastman product impressed Natura — Eastman's innovative IQue® window films. In the spring of 2013, Natura struck a deal with Eastman and applied the film to the pilot plant section of its Brazilian facility with the long-term goal of extending the application throughout the entire Natura facility.

In 2013, Eastman also embarked on a project with Petrobras, a leading integrated energy company, to install LLumar® window films at the company's buildings in Brazil. Supporting the sustainability vision of Petrobras, the project will initially cover

15% of their buildings, improving energy consumption and work area environment. The first two buildings, Ouro Negro and Horta Barbosa (Petrobras EDIHB) located in Rio de Janeiro, were completed in mid-2013. Using approximately 8,000 square meters of product, the two buildings house approximately 5,000 employees. Additional Petrobras offices that will be installed with LLumar include Macae, Vitoria and Santa Catarina.

Eastman window films are capable of rejecting 35%–80% of solar energy and up to 99% of harmful UV rays while allowing natural daylight to be transmitted through glass windows. The combination of energy-saving power, protective qualities, and aesthetics makes Eastman films one of the most effective solutions for saving energy and improving comfort.



Installation of LLumar® window films at Petrobras in Brazil.

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Sustainably advantaged products, *continued*

Eastman Tritan™ copolyester



Click on the image for more information.



An advanced copolyester that can be molded into articles with less waste, less energy and fewer greenhouse gases. Clear, tough, impact-resistant plastic.

Sustainable attributes

- Bisphenol/A (BPA) free
- Inherent toughness and durability increases product life and may reduce waste.
- Much lighter than glass, which can reduce energy used in shipping
- Does not contain halogens (chlorine, bromine, etc.), sulfur, nitrogen, lead, mercury, cadmium or hexavalent chromium
- Extensive testing shows no estrogenic or androgenic activity
- GREENGUARD Indoor Air Quality Certified®

End-use product examples

Consumer durables:

- Sports bottles
- Small appliances
- Reusable food storage

Medical devices:

- IV components
- Blood therapy
- Renal therapy
- Insulin pens
- Glucose meters

Rigid medical packaging:

- Surgical kits, trays
- Device packaging

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"Eastman continues to experience strong global demand for Tritan, especially in markets such as medical, durable goods and infant care where consumer interest in safety and sustainability is increasing. Our Specialty Plastics team has a long history of providing innovative solutions. As we look forward, we are committed to developing innovative materials and solutions aligned with customer and market needs, delivering superior value for our stakeholders."

— Burt Capel, Vice President and General Manager, Specialty Plastics



Partners in innovation

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Eastman helps make a groundbreaking renewable energy plant a reality.

Eastman teamed up with Spanish technology and engineering company, Abengoa, to put its 280-megawatt Solana solar thermal power plant in Arizona into service in October 2013. The innovative solar plant is the largest of its kind, and [Eastman Therminol® heat transfer fluid](#) allows the site to use sunlight (instead of fossil fuels) to generate power. The \$2 billion plant uses Therminol to absorb concentrated sunlight and transfers that heat to produce steam which generates electricity through turbines as in a traditional fossil fuel power plant.

Construction on the plant, which is located around 70 miles southwest of Phoenix, began in 2010 and has since created more than 2,000 jobs. This plant has generated a large-scale discussion about ways to use

renewable energy and implement sustainable technology in the power and energy sectors.

Solana's design makes it possible to gather heat at roughly 1.75 times the rate its steam turbines can use it. This design makes it possible to produce energy, even when there's little to no sunlight, such as from temporary cloud cover and even up to 6 hours after sunset.

As a result of its innovative design and the application of sustainable technology using Therminol heat transfer fluid, Solana is expected to reduce carbon dioxide emissions by 475,000 tons per year compared to a natural gas-burning power plant and supply enough power to support 70,000 homes.

"Eastman's Specialty Fluids and Intermediates business segment operates a closed-loop system that allows us to reduce waste and reuse products. We continually work to develop sustainable solutions for our customers in a variety of markets and applications, including Eastman BioExtend for biodiesel, and Therminol® heat transfer fluid, which is a great example of how our products have helped customers reduce energy use."

— Mike Humby, Vice President and General Manager, Specialty Fluids and Intermediates

Large-scale product testing laboratory tests product performance in Liverpool.



Panel doors are coated with Optifilm OT1200 in preparation for testing.

Eastman knows that limited laboratory tests are not always indicative of large-scale product applications. With this in mind, the company opened its first-ever large-scale application facility at its European Technical Centre in Liverpool, England, in 2013. The facility provides technical services, application advancement, and research and development for a number of Eastman business units.

This large-scale testing facility enables Eastman to further understand the performance of its products and also helps customers understand the end-use application properties of its products.

For example, Eastman tested the application properties of its latest paint additive, Eastman Optifilm™ additive OT1200, a low-VOC architectural coating product. By testing the product at the new facility, Eastman was able to study the product in real-life conditions, which expanded our understanding of the product's performance in real environments.

Moving forward, Eastman's goal is to test all new architectural coatings products at the facility, which will further our ability to deliver innovative and effective products and technologies to meet our customers' demands.

Partners in innovation, *continued*

Eastman's Center for Excellence and innovation network schools

In 2012, Eastman formed an innovative alliance with North Carolina State University (NC State) followed by a similar agreement in 2013 with the University of North Carolina at Chapel Hill (UNC). The purpose of these alliances is to establish cutting-edge innovation and research laboratories for chemistry, engineering, industrial design and materials science. From life cycle assessment initiatives to energy and sustainable business research, Eastman scientists and engineers are working with the best and the brightest at these universities to explore innovative ways to meet our customers' needs and enhance our business.

At UNC, Eastman committed a minimum of \$1.5 million over six years (beginning 2013) to support collaboration between the company and university scientists, staff and students. At NC State, Eastman has pledged to contribute \$10 million dollars in funding over the course of six years and has established a dedicated, 1,500-square-foot innovation center to support research at the university. To date, the partnerships have yielded funding for 35 projects that range in scope from fundamental chemistry to applied materials science to Industrial Design. Indications of the early success of the program are the fact that the first patent applications resulting from the alliances are currently being prepared.



The Eastman Innovation Center at NC State's Centennial Campus.

Both relationships are designed to help Eastman bring differentiated new ideas, technologies and materials from early stage research to the market more quickly than traditional approaches — and represent Eastman's commitment to collaborating with others to identify new technologies and solutions.



Studies conducted by independent third parties have shown that architectural window films, such as Eastman's performance films, become carbon neutral within two months after installation. Therefore, an average life span of 15 years for such products means that the product will typically deliver more than 14 years of emission reductions after accounting for the product's total carbon footprint.

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Environment

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At its core, Eastman's sustainability strategy is focused on identifying ways to reduce our environmental footprint while continuing to produce the products that our global customer base and consumers require. We have comprehensive guidelines and processes in place for reducing energy, air emissions, water consumption and waste.

Shady Valley, a high-elevation wetland ecosystem in Johnson County, Tennessee.

Energy efficiency, emissions and air quality

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We are mindful that our manufacturing processes require large amounts of energy, which is why we are committed to implementing innovative solutions to maximize efficiency and reduce greenhouse gas emissions. Our commitment pays off — it delivers financial savings to our business and reduces our environmental footprint. Reducing our energy use and emissions is an ongoing effort around which we have clear, measurable [targets](#).

- Our corporate energy budget for energy improvement projects, including capital and expense, was increased to \$11.5 million in 2013, up from \$10.5 million in 2012, with the realization that these projects are low risk and reduce energy costs, all while improving our environmental footprint.
- Since 2005, Eastman has participated in the European Union's Emission Trading System (ETS), buying and selling emissions credits. As a result, Eastman has implemented many successful energy efficiency [projects](#) that have helped reduce our energy use and overall emissions.

- In addition to manufacturing initiatives, our employees have spearheaded a number of [local energy-saving initiatives](#), as well.
- Eastman achieved a one percent improvement in energy intensity for 2013, resulting in an energy savings of more than \$3 million. This equates to a greenhouse gas emissions reduction of 145 million pounds, or emissions from 12,000 cars. Eastman has achieved an eight percent reduction since 2008. (Energy intensity = MMBtu/1000 kg produced)
- In the U.S., Eastman first submitted greenhouse gas emissions data in compliance with the EPA's mandatory GHG reporting rule in 2010. For the calendar year 2013, Eastman's U.S. sites reported CO₂ equivalent emissions amounting to 6.06 million metric tons.

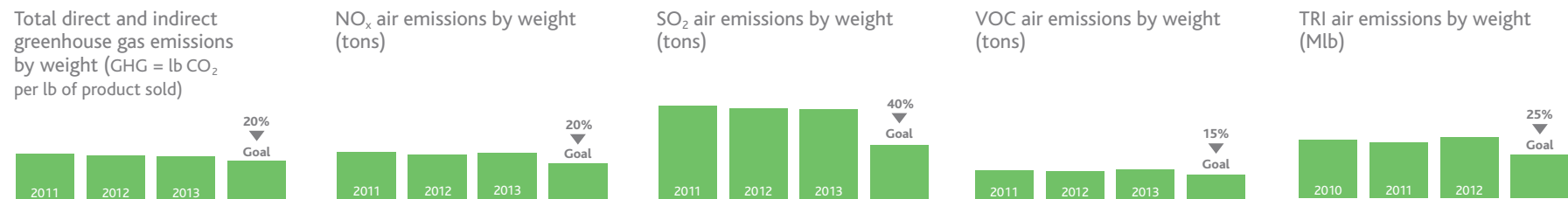


key energy goals
progress

reduced
energy intensity
8%
since 2008

Energy and emissions data

See eastman.com/sustainability for detailed charts.



Energy efficiency, emissions and air quality, *continued*

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Moving from coal to natural gas

In 2013, Eastman announced plans to convert boilers at its manufacturing sites in Kingsport, Tennessee, and Springfield, Massachusetts, from coal to natural gas. The conversion of these six boilers is expected to achieve significant reductions in greenhouse gas and other emissions, in addition to helping the company reach its emissions [goals](#).

- **Kingsport, Tennessee, conversion** — Anticipated 20% reduction in greenhouse gas emissions (equivalent to eliminating the greenhouse gas emissions from over 20,000 cars) once completed in 2017. The first boiler was converted to natural gas this year and two more will be converted in 2015.

- **Springfield, Massachusetts, conversion** — Anticipated 40% reduction in greenhouse gas emissions (equivalent to eliminating the greenhouse gas emissions from almost 10,000 cars) once completed in January 2016.



Anticipated reduction in greenhouse gas emissions:

20%

at the Kingsport site by 2017;

40%

at the Springfield site by 2016

Reducing carbon footprint

Eastman's Integrated Global Supply Chain worked toward reducing the carbon footprint at its site in Uruapan, Mexico, by 18% — more than 30,000 kilograms of CO₂ — as well as decreasing distribution costs after identifying a sustainable and cost-effective solution for shipping a product between two Eastman locations in different countries. Previously, the Uruapan site shipped its resin product by both tank trucks and railcars. After analyzing the process and identifying opportunities for improvement, the Uruapan site achieved extraordinary efficiencies in its process and meaningful reduction in its emissions.



Energy efficiency, emissions and air quality, *continued*

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Energy management in Singapore and Nanjing



Eastman's Singapore office was one of 10 companies to be recognized for outstanding efforts in energy management at Singapore's Energy Efficiency National Partnership (EENP) awards. Eastman was honored for "Excellence in Energy Management" thanks to our work to educate employees on energy efficiency.

The Eastman Asia-Pacific Technology Center (APTC) in Singapore implemented energy initiatives in 2013 that averaged close to a 25% kW energy reduction and significant energy cost savings.



Nanjing Yangzi Eastman Chemical (YEC) was recognized as a "Green Company" by the Nanjing Environmental Protection Agency (NJ EPA) for its outstanding environmental protection efforts. YEC was ranked in the top 35 "Green Companies" after being considered within a group of more than 1,900 candidates.

2013 energy efficiency highlights

- Eastman was named 2014 ENERGY STAR® Partner of the Year Sustained Excellence winner, the only chemical company to earn this highest ENERGY STAR award, marking the third consecutive year that EPA has honored Eastman's energy program.
- Improved energy intensity by 1% in 2013 and 8% since 2008
- Energy savings in 2013 equal to \$3 million and 145 million pounds of greenhouse gas emissions (equal to emissions from 12,000 cars)
- Saved \$28 million in 2013 on energy when comparing baseline energy intensity to current production and energy prices if energy intensity had not changed since 2008



- Eastman's Office Buildings 469, 470 and 471, earned the U.S. Environmental Protection Agency's (EPA's) ENERGY STAR® certification.
- Top performer in EPA's National [Battle of the Buildings](#) competition



145 million
pounds eliminated

equal to

emissions from
12,000

cars



Energy efficiency, emissions and air quality, *continued*

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Cogeneration

Natural gas is currently the source of about 50% of our energy supply. Our heat-intensive manufacturing processes also require the use of other fossil fuels, including coal. As long as coal exists as an inexpensive and effective source of fuel, it will continue to be used to power manufacturing. We understand that it is the way in which coal is used that can significantly reduce its environmental impact.

Eastman works hard to use coal efficiently. According to the U.S. Energy Protection Agency, 50% of coal's energy is wasted when used in conventional separate heat and power applications, which increases to greater than 60% if it is only converted to electricity in a conventional power plant.

Because Eastman needs both steam and electricity to make our products, we use a highly efficient process called cogeneration at our largest manufacturing sites. Otherwise known as Combined Heat and Power (CHP), cogeneration represents the concurrent production of electricity and heat emanating from a single source.

Cogeneration systems recover heat that would typically be wasted during electricity generation, therefore saving fuel that would otherwise be used to produce heat or steam.

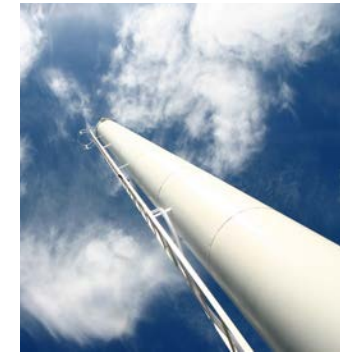
Eastman's deployment of cogeneration makes it one of the most efficient energy users in the chemical industry.

Using cogeneration enables us to convert more than 70% of the energy we obtain from fossil fuel into power and steam for our manufacturing processes.

In fact, we save a large amount of GHG emissions — the equivalent of taking 131,000 cars off the road each year — by using cogeneration at just one of our facilities. Eastman now meets more than 90 percent of our global electricity needs with cogeneration.

At our site in Longview, Texas, we also have a CHP plant that makes both electricity and steam using natural gas as fuel. We sell our surplus energy resulting from cogeneration to companies and homes as far north as Kansas City.

Eastman is constantly exploring other ways to practically and economically reduce our use of fossil fuels, lower our overall carbon footprint, improve our energy efficiency and minimize our impact on the environment.



GHG emissions
avoided

cogeneration meets

90%

of our global
electricity needs



Energy efficiency, emissions and air quality, *continued*

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Supporting sustainability in China

In 2013, Eastman participated in the Responsible Care® Project, held by the Association of International Chemical Manufacturers (AICM) at China's top university, Tsinghua. The program allowed Eastman to showcase our work in sustainability to young minds who are working to improve the sustainability practices of the Chinese chemical industry.



Dante Rutstrom, Eastman's Vice President and Managing Director, Asia Pacific, presents at the Responsible Care® Project.

Generating electricity from wind

Eastman's Newport site in Wales installed two industrial-size wind turbines in 2009, generating roughly \$400,000 of its own electricity each year, a substantial contribution to its demand.

"We were concerned about the way electricity prices were heading when we embarked upon this project. Today prices are even higher, so we picked a good time to take a leap into renewables," reports Eastman Energy Manager, Keith Agnew.

"The benefits of the turbines are numerous," he adds. "They reduce the carbon footprint of our activities, deliver green benefits such as ROCs (Renewable Obligation Certificates) and LECs (Levy Exemption Certificates), provide us with an ability to meet/exceed regulatory requirements and contribute to our long-term sustainability performance. Moreover, the turbines are providing savings that go straight onto our bottom line, and as a result, they directly contribute to our competitiveness in the marketplace."

The Newport site is mainly focused on the production of performance chemicals — products that are used in the manufacturing of many items destined for everyday use, such as washing powders, floor coverings, safety windows and windscreens. Production requires a substantial electrical load, which is why the turbines benefit the Newport operation so significantly.

Eastman's wind turbines at its UK manufacturing sites provide between 25% and 45% of the electricity requirements.



Energy efficiency, emissions and air quality, *continued*

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Energy goal refinement

In 2010, Eastman set an aspirational goal of 25% improvement in energy intensity in 10 years. While this served as a catalyst to revitalize our energy program, it became apparent that the ambitious goal did not account for our long history of energy efficiency improvements and extensive deployment of combined heat and power. More than 90% of our production occurs at sites using combined heat and power, a well-established best practice. In comparison, 29% of the electricity in the chemical industry is generated in this efficient manner and only 15% for industry in general. We worked with the Department of Energy (DOE), Oak Ridge and Lawrence Berkeley National Labs to develop a refined goal of 20% by 2020 that, while still a stretch, takes into account our rich history of energy efficiency improvements.



"Through the Better Buildings, Better Plants Challenge, Eastman worked with the Department of Energy to set a new goal to reduce energy intensity by 20% by 2020. This is an ambitious goal to meet President Obama's Challenge and build upon Eastman's significant past progress on energy efficiency. Just as important, Eastman has committed to sharing its lessons learned and best practices so that other companies can follow its lead."

— Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency, U.S. Department of Energy

Energy intensity
goal

reduce

energy intensity by

20%
by 2020



Water

Water is essential to our lives, but growing demands are making it scarce in some areas. As an important resource for Eastman's manufacturing, we understand the importance of using water responsibly.

Our water management practices are based on the key principles of efficient usage and pollution prevention. We explore ways to use less water while making certain that we minimize potential adverse impacts on existing supplies.

In general, Eastman's use of water is not intensive in that the major portion of water we use is not consumed in our processes. Eastman's manufacturing processes are designed to minimize our water usage where practical, increase the opportunity for recycling and safeguard against the possibility of contamination.

Involving school children in conservation projects is part of the Responsible Care® strategy at Eastman Chemical Malaysia. Students in Kuantan often participate in activities, such as this cleanup of the Balok River — planned through the Balok River Adoption Program. The program is sponsored by the Chemical Industries Council of Malaysia and Responsible Care® Committee Eastern Zone.

Our water management policy is intended to balance our use of water with the conditions and demands encountered in our various manufacturing locations. Our approach has achieved positive results in terms of maintaining water quality and supply while being able to conduct our operations in a responsible manner.

Eastman maintains pollution prevention/waste minimization programs designed to achieve ongoing reductions in the amount and toxicity of contaminants released to the water. Releases are managed in a manner that protects the environment and the health and safety of employees and the public. Many of our manufacturing facilities have advanced wastewater treatment plants designed to meet — and in many cases exceed — environmental standards while protecting the health of our employees, our communities and our local ecosystems.



Water recycling

The usage, treatment and subsequent release back to source represent a significant component of Eastman's water management program. Water conservation and recycling are top priorities, and they inform many Eastman processes and policies.

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Water, *continued*

Protecting our surrounding nature in Longview, Texas

Located near Longview, Eastman's Texas Operations facilities are close to rivers, lakes and reservoirs. Our manufacturing site occupies less than a thousand of the 6,000 acres of the land we own and manage. The unused acreage supports a rich ecosystem, including bottomland hardwood, pine forest, grasslands, marsh and water bodies. This undisturbed acreage is home to a wide variety of native animals, birds and plants.

Our facility is situated in the Sabine River Basin, which is approximately 300 miles long, extending from northeastern Texas to Sabine Lake and on to the Gulf of Mexico. Each year, the Sabine River and connected waterways provide countless residents and visitors a wide variety of recreational opportunities, including fishing, boating, hiking and hunting.

Eastman is committed to ensuring a healthy environment for the flora and fauna, as well as the people who enjoy the nature surrounding our facility. We continually work in partnership with a wide range of local, state and national organizations to implement our Nature & Wildlife Habitat Program. Some of these organizations that have assisted us in promoting a healthy environment for the wildlife and plants on our property include the Academy of Natural Sciences, Boy Scouts of America, East Texas Beekeepers Association, Native Plant Society, Natural Resource Conservation Services, Northeast Texas Field Ornithologists, Texas Cooperative Extension Service, Texas A&M Forest Service and Texas Parks & Wildlife Department. In 2013, Eastman demonstrated its commitment to environmental stewardship by achieving *Corporate Lands for Learning* certification from the Wildlife Habitat Council. This third-party certification recognizes our efforts and partnerships in conservation education.



Since 1982, Eastman has sponsored a series of biological and water quality surveys on the Sabine River. The most recent study was conducted in 2010; previous studies were completed in 1982, 1987, 1995, 2000 and 2005. Additionally, Eastman samples and analyzes sediments and surface water of the river every 2.5 years.

Results from the 2010 study showed:

- There is no significant impact on the aquatic environment from Eastman facility operations.
- The water quality and the condition of biological communities in the river near Longview, Texas, were broadly similar to those in 2005 and 2000, and substantially better than in 1987 or 1982.
- These improvements in river conditions parallel improvements in Eastman waste water treatment since the initial Academy study in 1982.

Water quality surveys

Eastman samples and analyzes sediments and surface water every

2.5
years



Eastman Texas Operations manages 6,000 acres of land, supporting a rich ecosystem. Eastman volunteers help clean and test the river waters.

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WBCSD Global Water Tool

Ahead of this reporting period, Eastman began using the World Business Council for Sustainable Development's (WBCSD's) innovative [Global Water Tool](#) to help us identify challenges and mitigate risks.

The Global Water Tool enables us to determine which of our sites are in extremely water-scarce areas and which are at greatest risk with regard to water supply.

Eastman envisions that the Global Water Tool will be an important instrument in helping us manage our strategy with regard to water resources.



Water quality

Much of the water managed at Eastman's larger facilities is used to cool production or utility units. Wastewater generated in the manufacturing processes is treated in Eastman wastewater treatment facilities or sent to a third party for treatment prior to release.



River studies

For more than 50 years, Eastman has partnered with the renowned Academy of Natural Sciences to carefully monitor the rivers in the vicinity of our major U.S. manufacturing sites to ensure that our operations have no significant impact on the aquatic environment. Beginning in 1965, we have completed 13 environmental monitoring studies of the rivers at our two largest manufacturing locations, Kingsport, Tennessee, and Longview, Texas. Further studies are planned in 2015 at our Longview site and in 2018 at our Kingsport site. Operations have no significant impact on the aquatic environment.

Goal met

Develop a baseline for water used at Eastman sites in water-stressed regions of the world



Waste management

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Eastman's integrated manufacturing approach ensures that many of the materials derived in production are recycled, with components often being used in the manufacture of other products. We take great care to manage our on-site waste production, and we recycle many materials that could otherwise become waste through manufacturing processes, such as [cogeneration](#).

In 2013 Eastman's Kingsport site recycled 2.7M lb of cardboard, paper and plastic that would have otherwise been disposed of in a landfill.

We have also stated a goal to reduce hazardous waste by 15% by 2020. Through 2013, we have achieved a 5% reduction compared to our baseline.

Hazardous waste indexed to production

(Without Biosolids) in kg waste/kg

See www.eastman.com/sustainability for detailed charts.



Sustainable packaging

Our Integrated Global Supply Chain is committed to developing and using materials that are recyclable, reusable and waste-reducing, whenever possible. For example, we reuse our fiber drums to package our waste materials, sell our plastic drums to drum reconditioners for further use and clean our metal drums before selling them for scrap, which ensures that none of the drums are wasted. We also reuse drum pallets that are in excellent condition, leading to fewer pallets being discarded and fewer pallets purchased.

An innovative package design, the octagonal box, was developed for shipment of products in Eastman's Specialty Plastics business. The new box allows for increased capacity of 15%, resulting in an overall reduction in packages, shipments, and warehouse storage space.



The Eastman Recy-Pack™ packaging system for acetate yarn is yet another example of sustainable packaging. Eastman Estron™ and Eastman Chromspun™ acetate yarns arrive in pristine condition to customers in a package that protects and respects the environment. Recy-Packs are reusable

and returnable, helping to divert 12 kg (27 lb) per case of cardboard packaging material from local landfills. Furthermore, the Recy-Pack trays have a virtually unlimited life cycle, ensuring that Eastman acetate yarn customers can continue to protect the environment order after order, for years to come.



Waste management
goal

reduce

hazardous waste by

15%
by 2020



Hazardous
waste

Waste management, *continued*

Achieving zero waste to landfill in Ghent, Belgium

One of our best examples of how Eastman effectively manages its waste is our zero-waste initiative in Ghent, Belgium. Starting in 2009, the Ghent manufacturing facility began a new effort aimed at minimizing — or completely avoiding — waste going to the landfill. Through a process of continuous improvement, the goal is for the facility to become “zero waste to landfill” wherever possible.

Effective solutions devised by our Ghent operations team include:

- Replacing nonreusable wooden crates — which accounted for the most significant amount of waste — previously used for the shipment of nonhazardous materials to returnable metal containers



- Introducing the concept of waste “islands” in various key locations throughout the site, managed by individuals assigned by each department area. It was anticipated that this initiative would lower the amount of waste by 25%, but it has actually resulted in a 40% reduction.
- Ensuring that all remaining waste streams are now fully recyclable, resulting in cost savings



The results of the program included:

- After only two years, the site achieved zero waste to landfill and has maintained this status since 2011.
- Waste costs reduced by one-third
- Positioned the Ghent operations ahead of new Belgian legislation that requires the segregation of 18 different types of waste
- The Ghent Chamber of Commerce now uses the Eastman facility’s program as a model for other organizations to implement waste management practices. Ghent staff members participate in the training and provide practical advice to other area manufacturing facilities.

Consistent with our strategy in sharing positive sustainability practices across the company, we are actively working to replicate the success of this innovative waste management program at other Eastman manufacturing facilities throughout the world.

Achieving
Zero
waste to landfill
in Ghent, Belgium

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Raw materials

Eastman is committed to responsible management of raw materials and the use of renewable materials. Renewable raw materials are key ingredients in many of our products, including our adhesives, sealants, coatings, inks, soaps and surfactants. Eastman's [rosin products](#), for example, are primarily sourced from living pine trees and contain approximately 90% natural and renewable content.



Destiladora de Resinas y Polímeros, an Eastman gum rosin supplier in Uruapan, Mexico, is a member of a local indigenous community dedicated to responsible forest management. The partnership between Destiladora and Eastman's Uruapan site supports sustainable sourcing practices, and Destiladora's Forest Stewardship Council certification demonstrates its commitment to responsible use of scarce natural resources. Destiladora was a 2012 recipient of Eastman's Supplier Excellence Award.



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Supply chain management

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Eastman's sustainability strategy extends beyond its operations and includes its entire supply chain.

We are committed to engaging our business partners — including suppliers, vendors, distributors and customers — to follow responsible and sustainable business practices.



We operate a complex integrated global supply chain, which extends from managing the flow of information and materials from the supplier of raw materials, right through to the delivery of finished goods to our customers.

Eastman uses intermodal transportation whenever possible. Freight is sent via rail to strategic locations, then final delivery is made by truck to reduce cost and fuel consumption.

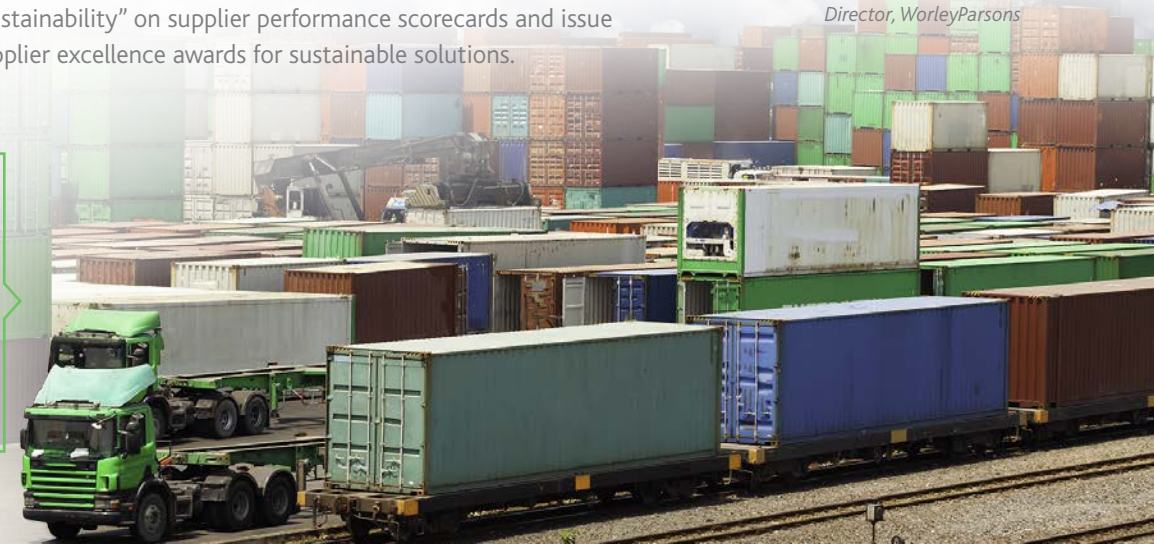
Aware of our significant environmental footprint, the team seeks to optimize the sustainability of supply chain operations from our suppliers to our customers, which includes:

- Enhancing [transportation safety](#)
- Introducing and maintaining energy efficiency initiatives
- Improving efficiencies through innovative package design
- Optimizing the logistics network
- Collaborating with customers and suppliers to develop sustainable solutions

Eastman promotes robust sustainability practices. As part of this effort, Eastman updates our comprehensive [Third Party Code of Conduct](#) periodically. Called "Doing Business with Eastman," this document clearly defines our supplier standards and expectations related to business ethics, environmental stewardship and social responsibility. We also include "sustainability" on supplier performance scorecards and issue supplier excellence awards for sustainable solutions.

"Eastman's altruistic philosophy and approach to business comes through in its willingness to share expertise and knowledge beyond the borders of Eastman business for the greater good and societal benefits."

— Jay Weist, Business Development Director, WorleyParsons



Supply chain management, *continued*

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Collaboration for excellence

Annually, Eastman recognizes suppliers that have performed above and beyond the expectations we set through our Eastman Supplier Excellence Program (ESEP), including a category dedicated to sustainability. For their sustainable solutions in 2013, **ExxonMobil**,



JanPak, Lubricorp, Nefab AB, Rexel and Spartan Chemicals were recognized as the Eastman Supplier Excellence Award winners for sustainability. As a result of these projects, Eastman saved an estimated \$1.6 million in 2013.

Eastman, Crouse, Killark and Rexel — As part of an ongoing project, a more efficient 40-watt LED fixture was developed to replace more than 8,000 lights at the Kingsport site. The switch to the new fixtures in 2013 resulted in a higher degree of visible light and reductions of 117,082 MMBtus or 11,445,000 kWhs of energy per year.



Eastman, Brock, Spartan and JanPak — By installing concentrate dispensing systems in four buildings on the Kingsport campus, Eastman, Brock Services, Spartan Chemicals and JanPak have eliminated the need for hundreds of gallons of premixed cleaning products — from window cleaner to floor solution. The new systems combine concentrate solutions and water right at the cleaning stations, which we expect will reduce waste by more than 14,000 bottles and save more than \$85,000 annually.



Our dedicated supply chain management team of more than 1,200 members:

- Operates in 17 countries to service customers in 100 countries
- Spends \$7 billion on supply chain materials, energy and services
- Supports supply/demand planning for 44 manufacturing sites
- Controls more than 300,000 shipments of finished goods
- Manages a \$1.6 billion inventory



Life cycle assessments

Eastman uses state-of-the-art life cycle assessment (LCA) methods to analyze the environmental impact of our products throughout their life cycle — from natural resources through product manufacturing, and, when possible, through downstream conversion, use and end of life. Eastman has completed cradle-to-gate LCAs on approximately 74% of our top selling product lines, which represented 80% of total sales revenue in 2013.

LCAs enable us to compare environmental impacts of products and operational processes so that we can understand tradeoffs, avoid burden-shifting, and make well-informed and optimized choices. We are having detailed discussions with our value chain partners and stakeholders about how we can work together in furthering the sustainable qualities of our products.



We have a stated [goal](#) to complete LCAs on all new product family launches through 2015.

WBCSD collaboration

Through our membership in the World Business Council for Sustainable Development (WBCSD), Eastman has collaborated with other leading chemical companies in a program to improve the consistency, credibility and comparability of life cycle assessments of chemical products. This effort resulted in publishing a set of best practice guidelines for the calculation and reporting of avoided greenhouse gas emissions enabled by chemical products in the context of [value chains](#). The WBCSD effort also developed a set of technical product LCA guidelines for chemical products which is scheduled to be published in 2014.

The guidelines build upon — and go beyond — existing LCA standards (such as ISO 14044, GHG Protocol, European Product Environment Footprint, etc.). Greater adoption of this process, both within the chemical industry and beyond, will help companies better determine the environmental impacts associated with the products they manufacture and use.



Completed

cradle-to-gate
life cycle analyses on

74%

of top product lines

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People and communities

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People are at the heart of any business, and that's especially true at Eastman. When our people thrive, our business thrives. And so do our communities. There are countless ways Eastman supports our workforce, neighbors and the communities in which we live and work. The following highlights directly reflect Eastman's progress toward our social investment goals, focusing on [safety](#), [education](#) and [health and wellness](#).



Eastman's 2013 ALL IN FOR SAFETY poster campaign featured Eastman employees wearing hard hats to emphasize safety at work and at home.

Safety

The safety of our people, operations and products are more than just performance indicators for Eastman — they are driving principles behind our daily business practices. For nearly 95 years, Eastman has championed an unwavering commitment to safety. It is part of our company “DNA,” and it informs every action and every decision we make.



We are proud that Eastman was named [2013 Responsible Care Company of the Year](#) (large company category) by the American Chemistry Council (ACC) in recognition of superior health, safety, environmental and security (HSE&S) performance. This is ACC’s top honor, given to member companies that have embraced and enhanced the [Responsible Care](#) ethic throughout their organizations.

Personal safety

Visit any Eastman site around the world and you will observe a workplace that puts safety above all else.

We believe that incidents and injuries at the workplace are preventable, and we work tirelessly to ensure the safety of our employees, neighbors and customers. Each year, we aim to improve our performance and to continue to strive toward the goal of an injury-free workplace. To remain focused on improvement, we have set performance targets including a global injury and illness rate of less than 0.35 and a day away from work rate of less than 0.05 by year end 2015.

Eastman’s commitment to safety includes personal protective equipment (PPE) requirements for our manufacturing sites, such as safety glasses, ear plugs and gloves as seen here. PPE guidelines are available to all employees.



Safety

Safety goal

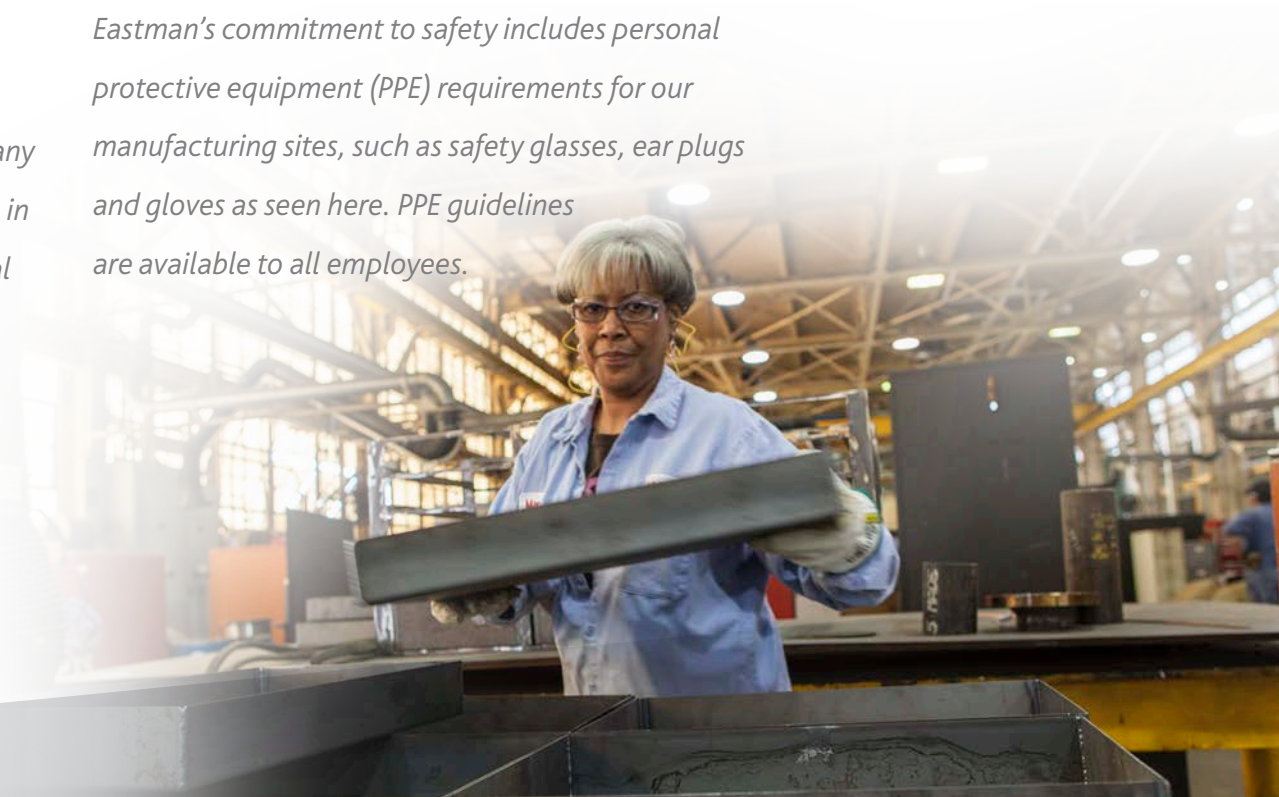
Zero

workplace injuries
and incidents

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Safety, *continued*

Guiding principles for safety

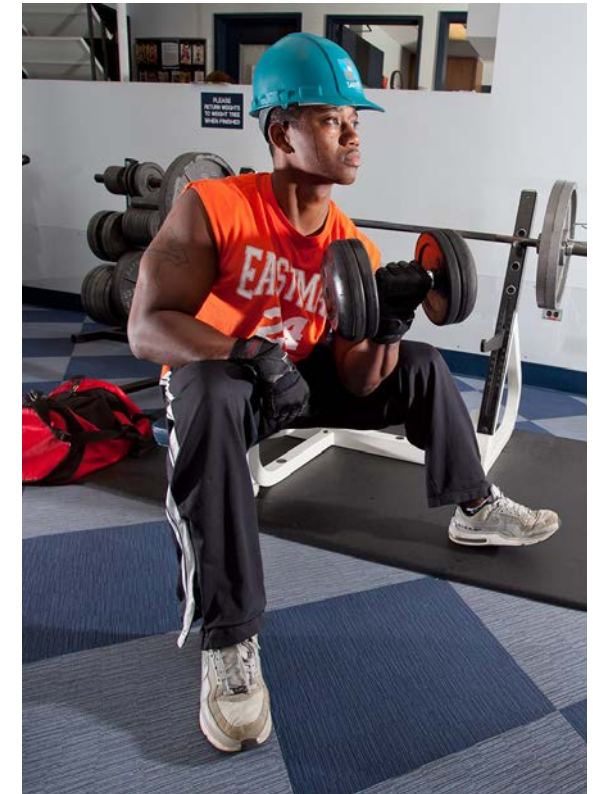
Our “Safety at Eastman” document captures our key guiding principles regarding safety. That document states “Eastman Chemical Company operates in a culture committed to safety excellence and the belief that workplace incidents and injuries are preventable. The safety of our employees, contractors, customers, visitors and communities is a corporate core value. Working safely is an expectation and a basic responsibility of all employees and contractors; at all times; and, at all locations — which in short, is what ALL IN FOR SAFETY means to us.” The following principles are articulated in the document:

Leadership	Establish clear safety expectations and lead by example.
Engagement	Actively participate in safety programs and training and raise and address any safety concerns.
Compliance	Comply with all applicable laws, regulations, company policies and procedures.
Commitment	Be ALL IN FOR SAFETY by committing to work safely; protect the safety of others; and encourage others to work safely at all times and all locations.
Communication	Share appropriate information about injuries and safety incidents to promote continued learning and incident prevention.
Incident prevention	Preventing work-related incidents is a priority that will be pursued in many ways including engineering design; safe work practices and operating procedures; safe behaviors; evaluation of near misses; and sharing learnings, to name a few.
Education	Provide the knowledge and skills necessary to allow each team member to work safely.
Hazard control	Identify, assess and reduce or eliminate the consequences of potential hazards in the workplace from both a personal safety and process safety perspective.
Assessment	Assess existing operations to support compliance and continual improvement efforts in safety performance.
Emergency preparedness	Maintain and practice emergency response plans to be prepared to respond to and manage emergencies related to Eastman facilities and operations.

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The poster above featuring an Eastman employee wearing a hard hat was part of the ALL IN FOR SAFETY poster campaign, reminding employees that focusing on safety is everyone’s responsibility — on the job and away from work.

Safety, *continued*

In addition to these guiding principles, Eastman has a long-standing process safety program, which governs the way in which we handle facilities management and ensures a safe workplace environment. These include:

Management of change	A documented process at each chemical handling site that is used to evaluate any potential hazards associated with process-related changes.
Root cause analysis	A structured approach to incident investigation that allows us to extract lessons from incidents and prevent future incidents.
Chemical safety testing	A laboratory analysis of chemicals before their use to identify any potentially hazardous properties.
Engineering standards	Use of currently recognized and accepted good engineering practices in the design and construction of facilities and equipment, following both global and local standards.
Management leadership and commitment	At every chemical handling site,* there is a committee responsible for process safety whose mission is to help ensure the systematic evaluation and control of hazards associated with reactive, flammable and toxic materials at the site.
Leading indicators	Data collected to ensure safety management systems are consistently updated so that they are effective.

At Eastman, we assess our personal workplace safety performance by examining:

Global Injury and Illness Rates	Annual incidents per 100 employees (200,000 work hours) involving treatment beyond first aid in relation to actual work hours.
Global Days Away from Work (DAW)	Annual incidents per 100 employees (200,000 work hours) where work is missed in relation to actual work hours.
Global Process Safety Incidents	The number of process safety incidents globally that match specific criteria established by the American Chemistry Council (ACC).

We recognize that improvements need to be made for us to meet our safety goals. We continue to emphasize our commitment to safety, and we have policies and processes in place to help us keep our employees safe at work and encourage safety away from work.

**Recent acquisitions have implementation plans.*

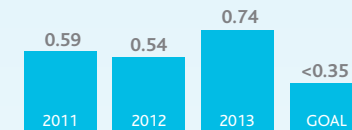
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Global Injury and Illness Rates

Annual incidents per 100 employees (200,000 work hours) involving treatment beyond first aid in relation to actual work hours.



Global Days Away from Work (DAW)

Annual incidents per 100 employees (200,000 work hours) where work is missed in relation to actual work hours.



Global Process Safety Incidents

The number of process safety incidents globally that match specific criteria established by the American Chemistry Council (ACC).



Safety, *continued*

Building a culture of safety takes a dedicated investment and focus. In 2013, we continued to integrate our leadership-steered corporate safety initiative — **"ALL IN FOR SAFETY"** — throughout the organization. Launched in October 2012, the initiative promotes a culture of working and living with safety awareness at the forefront. It reminds our employees to think about safe behaviors at all times, in every area of operation — and aims to make achieving our safety goals a shared priority.

This and other programs have had a positive impact on our safety performance around the globe. 2013 safety highlights include:

- Eastman's Newport site in the United Kingdom **celebrated Eastman's commitment to safety** in 2013 with a three-day event filled with training and activities centered on the "ALL IN FOR SAFETY" culture. The theme of the Newport event accurately reflects Eastman's global approach to safety: "A zero incident culture is an environment where injuries are never viewed as inevitable, and we do everything practical to prevent them."
- In September, the **Acid Concentration division** at the Kingsport site completed 22 years with no OSHA Lost Time Injuries. In addition, the department has only had one OSHA recordable in the last 10 years.
- In 2013, **Nanjing Yangzi Eastman Chemical (YEC)**, a joint venture between Eastman and SINOPEC Yangzi Petrochemical Company, achieved seven years (or 2,557 days) without a single day-away-from-work injury. This accomplishment is a record

for YEC and a testament to its commitment to safety. YEC was also recognized as **Excellent Safety Company** by the Nanjing Municipal Government and Nanjing Chemical Industry Park, and two YEC employees were recognized as "Excellent Safety Individuals" for their contributions to YEC's safety efforts.

- **Eastman's facility in Jurong Island, Singapore**, celebrated a significant milestone of 10 years without a Day Away From Work (DAW) incident in August 2013. Facing a number of Workplace Safety & Health (WSH) related challenges, the site focused on continuous WSH improvements. To honor the event, then Executive Vice President Mark Costa presented an achievement plaque to the site leadership team.



*In 2013, we continued to integrate our leadership-steered corporate safety initiative — **"ALL IN FOR SAFETY"** — throughout the organization.*

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Safety, *continued*

Process safety

Eastman works to prevent, mitigate and ensure our preparedness to respond to incidents across our operations. This is an ongoing process that has the full commitment of Eastman's leadership and includes continuous monitoring and testing of equipment and management systems. We maintain our process safety programs based on the principle that our facilities will be safe if they are designed according to sound engineering practices and built, operated and maintained properly.

To ensure process safety, Eastman engages in risk management on a daily basis at our operations around the globe. We view assessing risks and finding ways to reduce them as a core responsibility to our workforce and our communities. Every three years we rigorously evaluate selected operations around the world to identify potential hazards. This effort is supported by computers installed at our facilities that help ensure operations are performed within design specifications and are programmed to detect any changes. If a problem is identified, we immediately take steps to address it.

Eastman actively participates in industry peer organizations, including — but not limited to — the [American Institute of Chemical Engineers \(AIChE\)](#), [Center for Chemical Process Safety \(CCPS\)](#), [American Chemistry Council \(ACC\)](#), [European Engineering Equipment and Materials Users' Association \(EEMUA\)](#), [European Process Safety Centre \(EPSC\)](#) and the [National Fire Protection Association \(NFPA\)](#). This involvement maintains a high level of expertise within the organization and helps us achieve our [safety goals](#).

As an active member of the American Chemistry Council (ACC) for 25 years, Eastman contributed to the ACC's recently completed review of Responsible Care, including the addition of new process safety codes. The codes, which are an extension of what Eastman is already doing, are designed to enable companies to better identify, prioritize and mitigate any hazards or vulnerabilities in their processes and better share information about such risks to promote and enable safe practices in all of their operations.

To further process safety throughout the organization, Eastman initiated expanded process safety training programs for employees beginning in 2011. The "baseline" process safety training for engineers and operations personnel was continued throughout 2013. The program helps to ensure universal understanding of process safety fundamentals. Additional training for operations and senior managers are being piloted and implemented throughout the company as well.



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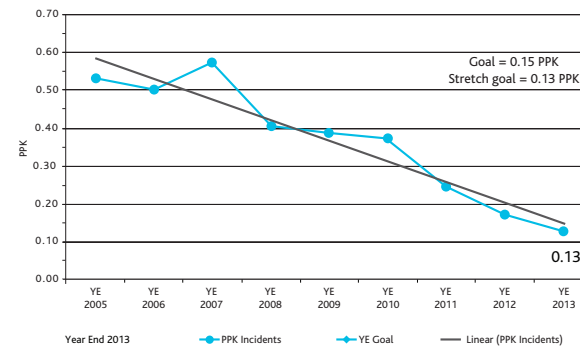
Transportation safety

As part of our continued commitment to outstanding operations, we identify, assess and take steps to mitigate transport-associated risks through our organization.



Eastman monitors the rate of distribution incidents involved in the shipment of its products, including those that are considered hazardous by the U.S. Department of Transportation and other international and regional regulatory authorities. As a result of this effort, we have steadily reduced our rate of distribution incidents and improved the overall safety of our global supply chain. Due to these efforts, we consistently receive chemical safety transportation excellence awards from major railroads in the U.S. (UP, CSX, NS and BNSF) and maritime service providers. To be eligible for these awards, a company must ship a large number of hazardous materials without any nonaccident-related releases.

Distribution emergency response incidents per thousand shipments — worldwide, year end 2013



Improvements in performance have resulted from our enhanced carrier qualification and assessment program, a proactive railcar maintenance and tank car closure program, continual distribution incident trend analysis, and from our service provider performance feedback program. For 2014, we have set a goal of 0.13 distribution incidents per thousand shipments to equal 2013's best-ever performance.

2013: best-ever performance

0.13

distribution incidents per thousand shipments



Marine Environmental Stewardship Award

Eastman moves materials across the world in many different ways, including by sea. As part of its work with barges in the U.S. Gulf, Eastman has been recognized each year since 2009 by American Commercial Lines Inc., an integrated marine transportation service company, with its Marine Environmental Stewardship Award for its commitment to environmental stewardship and conservation. The award recognized Eastman's Jefferson, Pennsylvania, site for an unwavering commitment to safely transporting products by sea. This diligence epitomizes Eastman's dedication to safe, responsible and environmentally friendly operations.



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Safety, *continued*

Security

The security of our employees, operations, information and products is paramount at Eastman, particularly given the continually evolving security challenges facing today's global businesses.

Eastman applies vigorous security standards wherever we operate throughout the world and specifically adheres to the following guidelines:

- Department of Homeland Security's (DHS) Chemical Facilities Anti-Terrorism Standard (CFATS)
- United States Coast Guard (USCG) Maritime Transportation Security Act
- American Chemistry Council's (ACC) Responsible Care® Security Code
- Tier II Customs-Trade Partnership Against Terrorism (C-TPAT), a supply chain and border security program
- Authorized Economic Operator (AEO), a customs security program developed by the European Union

In addition, Eastman maintains a Corporate Crisis Management Team and a Corporate Crisis Management Plan to identify, respond to and effectively manage incidents that have the potential of becoming a crisis to the company. In addition, each Eastman manufacturing facility has a local emergency response plan for manufacturing incidents and we conduct regular drills to prepare for possible situations such as fires, spills and other emergencies.

Each Eastman manufacturing facility has a local emergency response plan and regular drills, as seen here, to prepare for possible situations such as fires, spills and other emergencies.

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Communicating in a crisis



In 2013, Eastman reevaluated how we communicate with our employees, customers, contractors and communities in the face of crises and other significant incidents. A team was formed in Kingsport, Tennessee, to identify and introduce a new emergency notification system that ensures thorough and rapid communication to key Eastman stakeholders at our Kingsport site through a mix of email, phone calls and text messaging. The new system, which is still being rolled out, will ensure faster, more thorough notifications, making Eastman even better prepared to effectively communicate and manage a range of crises.



Safety, *continued*

Product safety

Like our overall safety processes, Eastman goes above and beyond to ensure we manufacture products that are safe for our employees to handle and for our customers to use.

Eastman maintains a rigorous product safety review process, including a dedicated Product Stewardship and Regulatory Affairs team, which leads intensive product safety reviews to ensure that our products are among the safest and most effective materials on the market. Our process includes review of the latest regulatory and toxicology information and preparation of Safety Data Sheets (SDS) and other product-related information.

Eastman closely monitors the laws and regulations that affect our products, and in many cases, we work to exceed the standards set by them. We also actively pursue governmental and nongovernmental “green” or “eco-certifications” for sustainable products that meet those criteria. We are actively involved in many safety and compliance efforts, including:

Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) — Eastman actively supports the objectives of the European Union’s REACH program, including assessing the hazards of chemicals and carrying out comprehensive risk assessments for chemicals to protect human health and the environment. As a leader in REACH efforts, Eastman’s method for coding stakeholder status in Substance Information Exchange Forums (SIEF) was adopted by [European Chemical Industry Council \(Cefic\)](#) as a means to increase effectiveness.

High Production Volume (HPV) chemical testing program —

Eastman continues to participate and support the Environmental Protection Agency’s (EPA’s) High Production Volume challenge. This voluntary program is designed to collect toxicity information on chemicals and assist the EPA in determining whether the material is safe for human health and the environment and make that information available to the public.

Responsible Care Product Safety Code — As a Responsible Care® company, Eastman has pledged to adhere to the newly introduced Responsible Care Product Safety Code, which marks a continuing commitment to delivering products that can be managed and used safely through their end of life. The Product Safety Code goes beyond regulatory requirements to give consumers confidence in the safety of the products that they use and rely on every day.

GHS implementation — Many countries around the world are adopting the United Nations Globally Harmonized System of Classification and Labeling of Chemicals (GHS). As a global company, Eastman ensures that GHS hazard classifications and labeling of its products meet the requirements of every country that has adopted this system.

Green certifications — Eastman recognizes the need in the market to develop sustainable products. Many Eastman products are designed to meet the new standards for “green” or other “eco-certifications.” Much of the testing that is performed by the Product Stewardship group is used to support these certifications.



In 2013, Eastman launched Effusion, a non-phthalate plasticizer that is an efficient, fast-fusing solution for a variety of markets and applications such as flooring.



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Employee engagement

At Eastman, we know that our employees are the foundation of our past, present and future success. We seek to create a workplace that attracts top talent, retains team members with engaging work, embraces differences and encourages all employees to reach their full potential.



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Training and development

Eastman offers various training and [professional development opportunities](#) for our employees across the globe. These opportunities include a dedicated training and development group focused on building the skills and knowledge of employees through classroom courses, online courses, just-in-time training and other training and development resources. On average, Eastman employees participated in 44 hours of internal training in 2013.

We are currently in the process of revising our training curriculum to reflect our growing global presence and equip all employees to work effectively within the countries where we operate. This includes providing more training in local languages and leveraging new technology platforms to grow employees' access to a full range of educational opportunities.



Education

Average employee training hours

44

Employee training hours

Employee category	Average training hours
Professional and management	31
Nonexempt (nonoperations)	13
Nonexempt (operations)	67
Technician/technologist	26
Average for all categories	44

The Regional Center for Advanced Manufacturing (RCAM) provides job-ready training in Kingsport, Tennessee. The program is a joint partnership between the State of Tennessee, City of Kingsport, Northeast State Community College, Eastman and Domtar.

Employee engagement, *continued*

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Creating a high-performance workforce in Martinsville, Virginia

Working with Patrick Henry Community College, Eastman's Martinsville, Virginia, office implemented the innovative [ACT WorkKeys](#) assessment system to select, hire, train, develop and retain a high-performance workforce. Prospective employees were invited to take the test outside of Eastman's application and interview process at their own cost. Eastman then covered the costs of the testing for applicants who were selected for further screening.

These assessments measure real-world skills that employers believe are critical to job success and focus on preparing students for situations they will face in the professional work environment. Since August 2013, more than 140 Patrick Henry Community College students and prospective Eastman employees have participated in the assessments.

Improving the quality of operational hiring and recruiting results in a higher skilled workforce and ultimately reinforces the longevity of the company and our presence in Martinsville.

Eastman is also expanding [training opportunities in sustainability](#) for key functional and business leaders throughout the company. Eastman's Leadership Development Process encourages additional, targeted development for current and future leaders, focusing on the leadership skills of an employee. A succession planning process is in place to ensure that individuals are prepared to move into leadership positions.

For employees who choose to further their education outside of Eastman, we offer financial assistance to cover tuition. This benefit is open to all full-time Eastman employees with at least one year of service and provides reimbursement of eligible expenses for approved degree plans related to current or future job responsibilities.

Workforce profile

Total workforce	Employment type	Employment contract	Region
13,695 employees as of Dec. 31, 2013	Full-time 97.9%	Permanent contract 95%	North America 77%
	Part-time 2.1%	Temporary contract 5%	Europe, Middle East and Africa 13%
			Asia Pacific 8%
			Latin America 3%



In December, Eastman was named the #4 Best Place to Work in 2014 by Glassdoor®. The Employees' Choice Awards rely solely on input from employees through an anonymous online survey.

Employee engagement, *continued*

Empowering a sustainable workforce

The commitment and creativity of our employees is essential to achieving Eastman's sustainability goals. We rely on our workforce not only to operate a responsible business that safely produces quality products but also to actively contribute new ideas and thinking that propel us forward. Only by working together as a team can Eastman make meaningful progress on our sustainability journey.

Growing a team of Green Leaders

We have established a number of initiatives to help create a corporate culture that thinks and acts in sustainable ways. These include:

- **Green Leader™ Training** — In 2013, we continued comprehensive two-day training programs led by outside experts in the field to prepare Eastman leaders to lead sustainability efforts within their functions and businesses. Since we initiated Green Leader™ training in 2011, approximately 100 employees have completed the intensive two-day live course. Over 30 additional customer-facing employees have completed online Green Leader™ training modules, while many others have participated in sustainability awareness training delivered internally.
- **Sustainability Ambassador Teams (SATs)** — We currently have well-established SATs in EMEA and Latin America and are actively working towards establishing a full SAT in North America. We are beginning to assess the readiness for an

SAT in the Asia Pacific region. The Sustainability Ambassador Teams are designed to be internal governance councils on sustainability, supporting growth and capabilities in each region. The Sustainability Ambassador Teams focus on all three pillars of sustainability: economic, environmental and social. Ultimately, the goal is to ensure that sustainability is leveraged into our strategies and business opportunities and across the value chains in which we participate.

- **Green Teams** — We have expanded our volunteer Green Teams to a total of 20 worldwide. The Teams are led by “ambassadors” in each location and their main goal is to create a culture that thinks and acts in more sustainable ways by creating meaningful sustainability improvements at Eastman sites. The teams main responsibilities are 1) communication about Sustainability initiatives and opportunities and 2) management of sustainable projects.



More than
100
employees
completed Green
Leader live course

30
completed
Green Leader online
training

Green Leader training held in St. Louis, Missouri, in 2013.



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Employee engagement, *continued*

We actively seek input from all of our employees about how we can operate more efficiently, minimize our environmental footprint, reduce waste and better support our team and communities. There are countless examples of Eastman employees across the globe who have made contributions — big and small — to make Eastman a more sustainable company.

- Team members in our offices in **Argentina** and **Mexico** have been very successful in spearheading energy reduction programs. For the third year in a row, both offices have **reduced their energy consumption**, surpassing their target goals set for Q1 of 2013 with net reduction gains of 4.25% and 2.75%, respectively. The reductions were achieved through responsible energy usage, mainly in lighting and air conditioning.
- Employee-led efforts at our **Franklin, Virginia**, site have resulted in the removal of hidden steam costs. With the installation of the site's new natural gas boiler, a cultural change has occurred among our maintenance and operations teams. They have adopted an increased sense of ownership of steam usage and are working to ensure that steam goes into production by quickly reporting and addressing steam leaks. Through the conversion to natural gas, demolition, and diligence of our operations and maintenance teams, the site has **decreased steam usage** from an average of 13–14 KPPH (kilo pascals per hour) to 11–12KPPH. This equates to an approximate savings of \$450K per year, depending on the comparative natural gas price.
- Eastman's **Tlaxcala, Mexico**, site advanced in their effort to maintain their "Clean Industry Certification" level in 2013. They successfully completed the revision on documentation regarding emissions and wastewater, which allowed them to achieve 85% of project completion.
- Eastman's intranet includes an **"Energy WISE"** program with advice and resources for employees to improve energy efficiency at work and home, as well as a forum for sharing energy-savings ideas. This allows our employees to work with friends, family and colleagues to reduce their energy consumption.

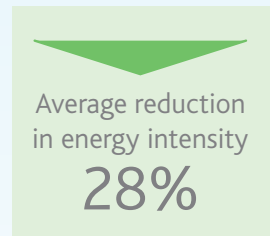


Eastman has committed to reducing energy intensity by 20% from 2008 to 2020. As one means to achieve this ambitious goal, Eastman participated in the EPA's 2013 ENERGY STAR® National Building Competition: [The Battle of the Buildings](#). As part of the challenge, Eastman posed an internal energy-saving competition between the employees in two identical office buildings that sit side by side on Eastman's Kingsport, Tennessee, site, B470 and B471. A third building, B469 occupied by the corporate energy staff, also participated in the friendly competition of more than 3000 buildings across the country.

Employees eagerly embraced the challenge and spearheaded simple but highly impactful changes in their buildings, including turning off all lights at the end of the work day, using limited lighting versus lighting the entire building when possible, and powering down or using the "hibernate" mode on computers and other equipment when not in use. In addition, building changes were made that included replacing lighting with more efficient bulbs and reducing air intake during night hours.

As a result of these efforts, the EPA recognized B470 as the #9 Top Performer in the competition followed by B469 at #10. All three buildings placed among the Top Ten in the office building category with B470 in third place, B469 in fourth place and B471 in ninth place.

The competition produced an impressive average reduction of 28% for the three buildings which exceeded the competition's 20% goal. In addition to the meaningful energy savings our team produced, each of the participants developed a new appreciation for (and attention to) energy efficiency and sustainability in the workplace.



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Employee engagement, *continued*

Diversity and inclusion

Eastman aims to employ the best and the brightest from various industries, geographies and cultural backgrounds. In our view, it is the difference in perspectives and experience that turn a good team into a great one.

Eastman has made a commitment to improve the diversity of its professional hiring pipeline. We have particularly focused on collaboration with local leaders, universities and professional organizations to attract candidates with a variety of talents and backgrounds.

While we've made significant progress, we continue to focus on increasing the percentage of women and minorities in technical and leadership positions at our corporate and manufacturing sites.

The following table provides indicators of key diversity measures of our global workforce:

Gender	Age	Ethnicity (U.S. population only self reported)
Male: 75.7%	Less than 30 years: 10.6%	Minority: 11%
Female: 24.3%	30–50 years: 52.2%	White: 89%
	Greater than 50 years: 37.2%	

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“One of our core company values is diversity and inclusion. Eastman people are the key to our success, and their diverse perspectives and experiences contribute significantly to our sustainability efforts.”

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

At Eastman, we focus on building a culture of inclusion where differing opinions and ways of life are encouraged and embraced. Eastman hosts various international culture clubs that provide employees a chance to meet and discuss cultural issues together in a more social setting outside of work hours. We also provide professional development and recreational groups for employees based on common interests and hobbies. Examples include:

- The **Young Eastman Professionals (YEP)** network, based in the EMEA region and designed to engage the young professional population and provide opportunities for personal growth and career development.
- **The International Club**, designed to provide members with intercultural opportunities including lectures, culinary events and international holiday celebrations. Members also assist with translations for the school systems.
- **Eastman Professional Development Club**, based in the North America region and designed to engage the professional population, helping them understand the opportunities that are available at Eastman. Through the Eastman Professional Development Club, we offer job shadowing sessions and externships for qualified students to foster learning and provide insight into future careers. In 2013, we hosted more than 140 summer interns and co-ops throughout the company. The 2013 class came from 28 different universities from across the country.



Chairman of the YEP board,
Julian de Bruijn

Employee engagement, *continued*

2013 Secretary of Defense Employer Support Freedom Award



Eastman was selected as 2013 Secretary of Defense [Employer Support Freedom Award](#) recipient. The award is the U.S. Department of Defense's highest recognition given to employers for exceptional support of employees serving in the National Guard and Reserve. A review board comprised of military and civilian leaders selected 30 finalists from nearly 3,000 nominations, and a national selection board identified 2013's winners.

Eastman provides full pay during annual training or emergency call-ups, 100% differential pay and continued health and dental insurance coverage to employees and families during active duty. The reservists also continue to receive cash bonus awards and 401(k) contributions while deployed. In addition to these benefits, Eastman also grants an additional week of paid leave to military employees returning from deployment to allow them more time at home with their families.

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Global labor practices

Eastman is committed to providing a safe, healthy and desirable workplace. A guiding principle of our business is respect for fundamental human rights, including freedom from child and forced labor. As outlined in our [Business Code of Conduct](#), Eastman forbids the use of unlawful labor and does not use forced or compulsory labor. Eastman demands the same ethical behavior of all of its suppliers and holds them accountable through our [Supplier Code of Conduct](#) and by annual supplier surveys, including child and forced labor inquiries.



Employee engagement, *continued*

Employee health and wellness

Eastman is committed to encouraging and supporting employees to make healthy choices so they can live better, longer. For Eastman, this can mean a more productive workforce; more importantly, this can mean a better quality of life for employees and their families. Our health and wellness programs are varied and include:

- **HealthE incentives** — When employees with specific high cardiovascular health risks, such as high cholesterol or high blood pressure, make biometric improvements, they qualify for incentives that help offset health care costs.
- **Understanding health status** — Eastman encourages employees to know their health status. In the U.S., a key tool is the Health Risk Assessment, available to all employees and spouses. The assessment provides a confidential snapshot of current personal health and health risks. The reports are customized to individual needs and provide guidance to manage any health risks identified.



Team members from Eastman's Mexico City location participated in the 2013 Mexico Corporate Games as part of the site's wellness program. The event included a 10 km race, a 1.6 km relay race and a dragon boat race.

- **Healthy choices** — Eastman offers healthy choices, with a focus on lifestyle, condition management and preventive care. Options range from onsite one-on-one and group meetings to onsite fitness activities, telephonic and computer-based education and qualifying preventive care. In the U.S., employees (and spouses) who make improvements in reducing specified health risks can earn incentives rewarding their progress.
- **Active living** — Eastman encourages employees to move throughout the day and be physically active whether at work or elsewhere. In many locations around the world, leaders support employees being active both in company and locally sponsored community events focused on physical activity, volunteerism and cultural events.



Health goal

Increase preventive services access by
15%
among employees and spouses in North America



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In 2013, Eastman kicked off a program dedicated to promoting a culture of health and wellness. At the company's U.S. headquarters, Eastman opened four demonstration gardens, (above) which are designed to help employees learn how to live a sustainable lifestyle.

Employees in Ghent and Capelle took on the challenge of completing the Rotterdam Ekiden, a relay marathon in The Netherlands. The team finished 19th out of 169 teams with an impressive time of 3:03:34.

Small steps, big impact

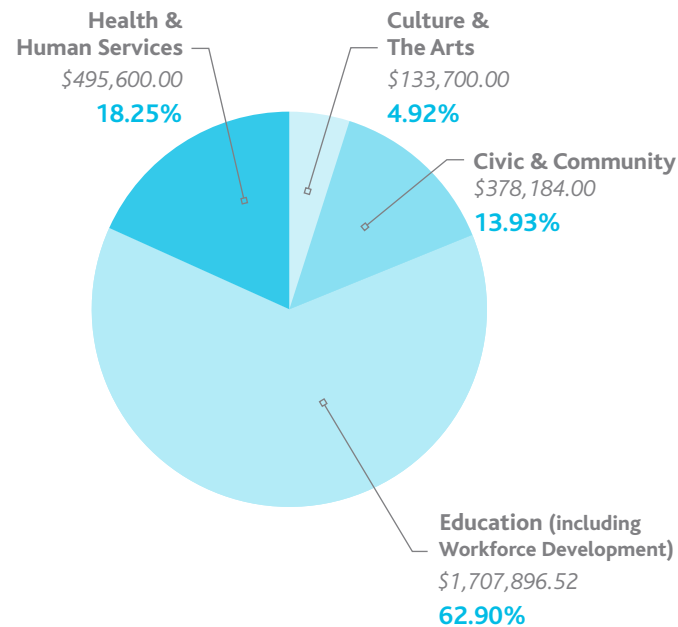
- Four out of seven **Eastman EMEA "Green Offices,"** focused on improving the environmental footprint of our workplace and on inspiring employees to work and behave in a sustainable way, now offer free fresh fruit to employees. The Capelle office replenishes free fresh fruit for its employees twice a week, and many other Eastman offices are following suit.
- In the third quarter of 2013, Eastman implemented a **Healthy Diet Program** at the Santo Toribio Plant. The goal of this program is to facilitate the development of healthy eating habits throughout the entire Santo Toribio site.
- Employees in our **Mexico City** office kicked off a health initiative in 2013 to lose a collective 100 pounds and improve overall health and wellness habits.



Community engagement and giving

As a growing global company, Eastman appreciates its responsibility and opportunity to contribute to the world around us in many ways. This is a responsibility we've honored through more than 90 years of philanthropy, volunteerism and community involvement.

2013 Corporate contributions • \$2,715,380.52

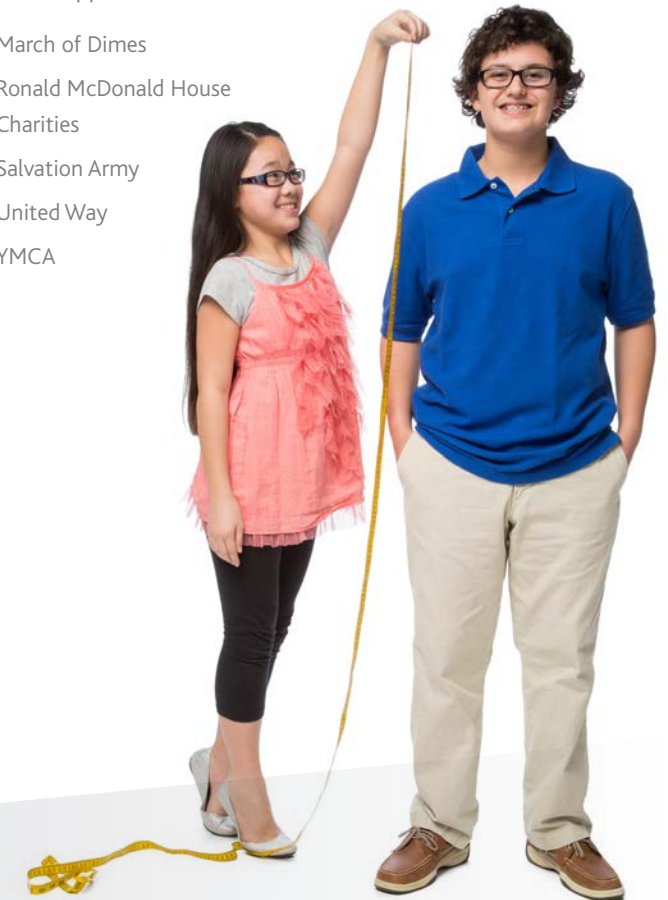


Philanthropy and volunteerism

In 2013, the Eastman Chemical Company Foundation, a 501(c)3 nonprofit organization, donated approximately \$2.7 million to more than 250 organizations.

We are a proud corporate supporter of a number of worthwhile philanthropies, community programs and organizations that promote sustainable practices and public/private partnerships. Here are a few examples of the organizations we support:

- American Cancer Society
- American Diabetes Association
- American Heart Association
- American Red Cross
- Big Brothers Big Sisters
- Boy Scouts of America
- Boys and Girls Clubs
- Engineering Education Scheme, Wales
- FIRST Robotics
- Girls Incorporated
- Girl Scouts
- Habitat for Humanity, Inc
- Hands On! Museum
- Junior Achievement
- Keep America Beautiful
- March of Dimes
- Ronald McDonald House Charities
- Salvation Army
- United Way
- YMCA



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More than 50 Eastman Shanghai team members and their families took part in the 8th annual Charity Run Initiative to raise funds to aid children impacted by the Sichuan Ya'an earthquake. The team's efforts raised approximately \$1,000 for victims and their families.

Eastman has expanded the Foundation's Board membership to represent the increased diverse makeup of the company — both geographically and functionally.

Eastman team members are actively encouraged and afforded opportunities to demonstrate good corporate citizenship by participating in community volunteer opportunities. In 2013, employees at Eastman's corporate headquarters in Kingsport contributed approximately 10,000 hours of company-paid time to volunteer for a variety of community projects. These volunteer opportunities provided support for a wide area of need: from disaster relief and disease research to educational initiatives and preventing hunger and homelessness. Eastman additionally provided more than \$500,000 to support local educational programs, including scholarships and workforce placement initiatives.

Many Eastman team members also serve on local and national philanthropic boards. In 2013, more than 200 Eastman employees, including several members of the company's senior and executive leadership teams, were active on charitable boards.



Aiding in disaster relief

- Eastman team members at the Indian Orchard, Massachusetts, site hosted a fundraiser for the victims of the Boston Marathon bombing, raising a total of \$3,150 at the event. Eastman also donated \$5,000 to the **Boston One Fund**.
- Following the devastating tornado that struck Oklahoma in 2013, the Eastman Chemical Company Foundation pledged to match employee donations made to the **American Red Cross** in support of relief efforts. As a result of this commitment, the Eastman Chemical Company Foundation and its employees donated approximately \$10,000 to support victims of the destruction caused by these deadly tornadoes.

Eastman employees
10,000
company-sponsored
volunteer hours

\$500,000
support to local
programs
including scholarships
and workforce
placement



Community engagement and giving, *continued*

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Joining the fight against cancer

In 2013, Eastman and **The Skin Cancer Foundation** started working together to help consumers understand that the sun's harmful rays can penetrate glass in both cars and buildings. Scientific research is mounting which says that drivers are especially vulnerable on the left sides of their bodies where drivers are exposed to harmful ultraviolet A (UVA) rays.

As the world's largest provider of **performance films**, Eastman has a diversified global perspective on the use of window film as a solution to help protect consumers from these harmful UVA rays.



- Team members from Eastman's Middelburg site participated in the Alpe d'Huzes mountain bike race to raise funds for the **KWF (The Dutch Cancer Society)**. The team worked tirelessly to attract sponsors and host fundraising events on behalf of the cause. The team members raised a total of approximately \$60,000 — all of which was donated directly to the KWF Cancer Society.

- **Eastman's LLumar® Window Film** teamed up with The Skin Cancer Foundation to promote Skin Cancer Awareness Month in May 2013. The "Road to Healthy Skin Tour" promoted education and prevention, working with local dermatologists to conduct screenings on the Tour's 38-foot RV, customized with two exam rooms. The mobile clinic made approximately 50 stops at Rite Aid stores throughout the country, from New Jersey to California. Local LLumar window film dealers were also on hand to help consumers understand the benefits of using window film as sunscreen for the car, blocking more than 99 percent of harmful UV rays. The Road to Healthy Skin Tour was a huge success, helping doctors inform and involve the public in a very important cause.



"There are several reasons consumers buy our products around the world — solar control, comfort, heat reduction, glare reduction, energy savings, efficiency, safety and security, privacy and aesthetics. One of the biggest challenges for Performance Films is building consumer awareness of the benefits of window films. However, we see this challenge as an exciting growth potential for our business, both in the automotive and architectural markets."

— Travis Smith, Vice President and General Manager, Performance Films

- **Eastman's Gila® Window Film** observed Breast Cancer Awareness Month in 2013 with a donation of \$35,000 to Susan G. Komen For the Cure®. Throughout October and November, Gila held a promotional display at participating Lowe's locations that featured commemorative pink packaging in honor of breast cancer awareness.



Community engagement and giving, *continued*

Community involvement

- In 2013, Eastman donated 18 acres of private land to the city of **Springfield, Massachusetts**, in honor of Congressman Richard E. Neal. The park, now called “Congressman Richard E. Neal Indian Orchard Community Park,” was donated by Eastman as a gift to the community, offering a baseball field, revamped pavilion and a renovated gravel parking area.



- Eastman’s **Nienburg, Germany**, site team of 61 firefighters work closely with the local and regional volunteer fire departments to teach safety and prevention to members of the community. The team supports the Junior Fire Brigade (above), a program that allows local children, age 10 and up, to become members of the volunteer fire department youth program.
- Eastman and **Texas A&M Forest Service** worked together this year to plant trees at local elementary schools throughout Texas in

“The employees of Eastman were a key factor in enabling The United Way of Henry County and Martinsville to reach our campaign goal for the first time since 2007. . . . We are thrilled to have a great Corporate Partner like Eastman in our community.”

— Tiffani Underwood, Executive Director, United Way of Henry County & Martinsville

honor of Earth Day. In addition to tree planting, Eastman representatives spoke with local students about ways to save energy and contribute to a sustainable community.

- An Eastman Team member in the Mexico City, Mexico, office received the **“VOLUNTARIO ESTRELLA”** Award from United Way (UW) Mexico for excellence in coordinating the campaign “VIVE UNIDO” in the region.

Silvia Paredes Garcia, who has been pioneering this effort to improve in-school safety for the past eight years, was honored for her leadership in the successful campaign that promotes safety at primary schools in Mexico City. Silvia has been an active volunteer in different UW Mexico programs over the last 18 years.

- Eastman contributed to the City of Kingsport’s **mobility path**, a walking and biking path, which starts at Eastman’s Corporate Headquarters Building at the corner of Martin Luther King Blvd. and Wilcox Drive and extends for approximately two miles to the newly constructed Kingsport

Aquatic Center. The new pathway provides a safe pathway for children and adults to walk or ride their bicycles to the new aquatic center from surrounding neighborhoods.

- Eastman’s **Longview, Texas**, operations were selected as the 2013 Chick-fil-A Leadercast Community Leader Award Winner in recognition of the combined volunteer efforts of its employees. According to a survey, employees donated approximately 90,000 volunteer hours to a variety of nonprofit organizations in the Longview area.



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- Eastman Texas Operations in Longview received the **"Sustained Excellence in Caring for Texas"** award from the Texas Chemical Council (TCC). Eastman was one of only two recipients among TCC member facilities with more than 500 employees awarded for sustained efforts over three years for continuous improvement in safety, community awareness, emergency response and pollution prevention. TCC recognized Longview for a series of accomplishments, including its support of United Way and other nonprofit agencies, workforce development activities with partner schools, major energy savings achieved through innovative reduction techniques, groundbreaking recycling programs and sponsorship of numerous local groups and programs in Texas.

Community Advisory Panels

In many of the communities where Eastman has manufacturing sites, we maintain active **Community Advisory Panels (CAPs)**. Eastman CAPs include local community members who serve as ambassadors within the communities where they live, work, and play. Information meetings are held several times throughout the year to familiarize CAP members with Eastman products, services, and personnel, as well as those social responsibility and sustainability issues impacting the company. The CAP meetings foster an open dialogue between CAP members and a variety of company representatives in all areas of the business. Eastman currently has 11 CAPs and each representative ensures a diverse representation of the local community. These CAP sites represent 24% of Eastman's total 45 manufacturing locations.

CAP focuses on sustainability in Middelburg, The Netherlands

In 2013, The Community Advisory Panel at Eastman's Middelburg site in The Netherlands focused on building sustainability at Eastman and in the community. Members include representatives of local authorities, educational institutions, local companies and community members. The interactive session fostered an open dialogue between CAP members and Eastman representatives surrounding behaviors that should be embedded in the culture of a company and in a community to support a more sustainable future.



In 2013, Eastman also conducted community pulse surveys to track the perception of our company in the many communities where we operate. Information from these surveys was shared with key stakeholders, including CAP members, to highlight those areas with favorable responses and discuss the areas needing improvement. In 2013, a survey was conducted at our manufacturing site in Martinsville, Virginia. Our goal has been modified to complete surveys at all major manufacturing sites, meaning those sites employing more than 300 team members. We are on track to complete this goal by 2015.

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Advancing education

Much of Eastman's community giving and volunteerism is focused on education. We believe in helping create quality educational opportunities for today's young men and women and nurturing the next generation of scholars, engineers, scientists, inventors and business leaders around the world.

Eastman's Kingsport, Tennessee, corporate headquarters has dedicated resources that manage and implement educational initiatives for K–12 students in a program called **Putting Children First**. Further, employees and local leaders are key collaborators in developing STEM (Science, Technology, Engineering and Math) curriculum.

Eastman offers job-shadowing sessions and externships for qualified students to foster learning and provide insight into future careers. In 2013, we hosted more than 140 summer interns and co-ops throughout the company. The 2013 class came from 28 different universities from across the country.

Eastman Scholar Mathletes

Eastman partners with East Tennessee State University's Center for Excellence in Math and Science Education to sponsor a program that provides local elementary and middle school teachers with an opportunity to participate in an intensive two-week workshop focused on math. The program teaches educators different learning approaches to get students interested in math and its various applications. During the workshop, teachers receive conceptual training, as well as content knowledge, and are given the opportunity to network with other teachers from across the state of Tennessee to discuss various strategies and teaching methods. In 2013, Eastman honored 64 local teachers who completed the Eastman Scholar Mathletes program. These teachers represented 36 schools in seven different school systems throughout Tennessee. Since inception in 2007, Eastman has invested more than \$1 million to train more than 425 local teachers.



The Eastman GEM4STEM program

The Eastman GEM4STEM program (Growing Educational Mentors for Science, Technology, Engineering and Mathematics) is designed to encourage students to explore STEM-related projects and careers. Since 2007, Eastman mentors have completed more than 1,200 assignments with students in Kingsport, Tennessee-area elementary, middle and high schools

In 2013, Eastman's GEM4STEM program was honored to support several high school students at the FIRST Robotics Competition in Tennessee. FIRST is a 501(c)(3) organization devoted to helping students develop an understanding of and a passion for science, engineering, technology and math.

Community engagement and giving, *continued*

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Local school partnerships

Eastman teamed up with several community partners to sponsor the seventh annual **Northeast Tennessee Science Bowl** in Kingsport, Tennessee. The teams consisted of students from 8th–10th grade, and projects ranged from astronomy, biology, chemistry and physics to earth science and mathematics.

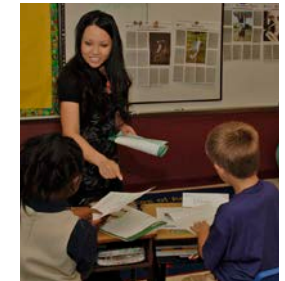


The Dobyns-Bennett High School Science Bowl team.

In 2012, **Freedom Intermediate School** in Franklin, Tennessee, received the first Sustainability Steward Award, a component of the [Good Sports Always Recycle Program](#), which is sponsored by Eastman, Food City, Waste Connections of TN, Inc., and the University of Tennessee. In 2013, Freedom's environmental club, the "Green Team," used the award funds to support the installation of a "rain garden," which will help resolve a water run-off problem on the school grounds.

In 2013, Eastman's Jefferson, Pennsylvania, site teamed up with two **Lafayette College** students who were interested in the daily routines and roles chemists and chemical engineers partake in at Eastman. The students were able to take tours, ask questions and witness processes in real time as part of this partnership with Lafayette's externship program.

Fifteen Eastman employees in Longview, Texas, teamed up with local schools to teach **Junior Achievement programs** to second, third and fifth graders (right). Eastman participated in the "Done in a Day" program that facilitates partnerships between local businesses and elementary schools with the goal of empowering young students to steer their own economic success through education. The experience allowed Eastman employees to engage directly with the community and teach important lessons that will help the students grow into their future roles in the workplace.



Eastman employees in Longview, Texas, participate in the Junior Achievement program "Done in a Day."

Martinsville FIRST

Students from the Martinsville, Virginia, area won the right to compete at the [FIRST world robotics championship](#) in St. Louis, in April 2013. The team finished a respectable 72nd out of 100 teams in their division. Eastman Performance Film's employees from Martinsville Operations mentored the student teams.

Employees from Eastman's St. Louis office welcomed the visiting team by attending the competition and hosting a dinner event to reinforce support for the event. Eastman employees leveraged the time spent with students to encourage them to pursue their interests in science and technology as well as understand the broader opportunities that exist in our company both in the U.S. and abroad.



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Eastman has a longstanding partnership with Gwent Wildlife Trust (GWT), a leading local wildlife charity that manages 30 nature reserves in southeast Wales, including the Great Traston Meadows reserve that mostly resides on Eastman land. On April 16, 2013, Eastman's Newport site hosted the organization's 50th anniversary celebration, featuring TV Wildlife presenter Iolo Williams. Eastman's longstanding relationship with the GWT continues to flourish as Eastman employees actively volunteer and donate to the charity's noble goals.

The Eastman Foundation has partnered with the Nature Conservancy (TNC) in Tennessee since 1991. Over the course of the partnership, Eastman has donated more than \$260,000 to help preserve Shady Valley, a very rare, high-elevation wetland ecosystem in Johnson County, Tennessee — one of the Southern Appalachians' most ecologically important areas.



Awards and achievements

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Eastman has been recognized for achievements in the areas of Energy & Environmental, Health & Safety, Financial Strength, Innovation, and Citizenship & Engagement.



Awards and achievements

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Economic

- Ranked 7th in Bloomberg *BusinessWeek's* Top 50 in 2013, a listing of the S&P 500 companies with the **best recent performance** and outlook for the future. The criteria for selection and rankings were based on four factors: one-year and five-year risk-adjusted returns, consensus analyst recommendations, and projected earnings growth.
- Selected as a finalist in the **Business Green Leaders Awards** in 2013 for "Sustainability Team of the Year." The team was recognized for its innovation & sustainability council, sustainability ambassadors and collaborations with major customers to conduct life cycle assessments. 
- Received a **Gold Stevie® Award** at the 2013 American Business Awards for The Company of the Year — Chemicals. Among 3,200 other nominations, Eastman was recognized for its many achievements in the chemical industry.



Environmental

- Recognized by U.S. Environmental Protection Agency (EPA) with 2014 ENERGY STAR® **Partner of the Year Sustained Excellence** for its continued dedication to energy efficiency. This achievement follows Eastman's recognition as a 2012 and 2103 ENERGY STAR Partner of the Year. Eastman is the first chemical company to receive Sustained Excellence recognition. 
- 2013 **Responsible Care® Company of the Year** (large company category) by the American Chemistry Council (ACC) in recognition of superior health, safety, environmental and security (HSE&S) performance.
- Honored with a 2013 Responsible Care® Merit Award by the Association of International Chemical Manufacturers in recognition of distinguished performance in the fields of sustainability and **responsible care in China**.

- Named a 2013 gold winner in the "Most Socially/Environmentally Responsible Company of the Year" category in the third annual **Best in Biz Awards**. The award was judged by members of the press and industry analysts and focused on the implementation of a series of employee sustainability and advocacy programs designed to integrate sustainable business practices from "the inside out."



- **One of 16 American Chemistry Council (ACC) members** honored at the annual ACC Responsible Care® Conference and Expo for implementing energy-efficiency improvements in 2013. Eastman received five of the 50 awards presented for outstanding projects, marking the 21st consecutive year the company has earned energy efficiency awards from ACC. Eastman was also one of 13 ACC member companies honored for achievement in the area of waste minimization, reuse and recycling.

5 of 50
awards
21st year

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- Recognized by American Commercial Lines Inc, an integrated marine transportation service company, with its **Marine Environmental Stewardship Award** for its commitment to environmental stewardship and conservation.
- Eastman's Texas Operations received recognition in 2013 for its contribution to **conservation education** at the Wildlife Habitat Council's (WHC) 25th Annual Symposium, "Celebrating Corporate Conservation." Through our partnerships with groups like Texas A&M Forest Service and Texas Parks and Wildlife Department, Eastman's educational program reaches hundreds of students and informal learners each year.
- Eastman's Texas Operations also received the **"Sustained Excellence in Caring for Texas"** award from the Texas Chemical Council (TCC). Eastman was one of two Sustained recipients among TCC member facilities with more than 500 employees.



- Eastman's Utilities Division Office Building 469, operated by Tennessee Operations, earned the U.S. Environmental Protection Agency's (EPA) **ENERGY STAR® Certification for super energy efficiency** for performing in the top 25 percent of similar facilities nationwide. Additionally, Eastman's office buildings 470 and 471 earned the same certification in early 2014.
- One of 13 winners in The Department of Energy and Climate Change's (DECC) **carbon capture and storage (CCS)** innovation competition.

Societal



- Named a **2014 World's Most Ethical Company®** by the Ethisphere® Institute for our efforts to continually raise the bar on ethical leadership and corporate behavior. As one of only three companies in the global chemical industry honored this year, selections are based on an assessment of the following categories for each company: ethics and compliance program; reputation, leadership and innovation; governance; corporate citizenship and responsibility; and culture of ethics.

- Honored as the #4 Best Place to Work by the **Glassdoor Employees' Choice Awards**, which recognizes the top 50 places to work each year. The Glassdoor Employees' Choice "Best Places to Work" Award relies on employee input surrounding a series of themes, including work environment, company culture and job satisfaction.
- Selected as a 2013 **Secretary of Defense Employer Support Freedom Award Recipient**. The award is the U.S. Department of Defense's highest recognition given to employers for exceptional support of employees serving in the National Guard and Reserve. A review board comprised of military and civilian leaders selected 30 finalists from nearly 3,000 nominations, and a national selection board identified 2013's winners.



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- Two Eastman joint venture sites in China, Zibo and Nanjing, have been **certified for safety production standardization**. The Nanjing site was named an Excellent Safety Company by the Nanjing Municipal Government and Chemical Industry Park.
- Eastman's joint venture site in Nanjing was also recognized as a **"Green Company"** by the Nanjing Environmental Protection Agency (NJEPA) for its outstanding environmental protection efforts. The site was ranked in the top 35 "Green Companies" after being considered within a group of more than 1,900 candidates.
- Eastman's Singapore office was one of 10 companies to be recognized for **outstanding efforts in energy management** at Singapore's Energy Efficiency National Partnership (EENP) awards. Eastman was honored for our "Excellence in Energy Management" thanks to our efforts to educate employees on energy efficiency.

Global Reporting Initiative (GRI)

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GRI index

GRI appendix



Click on the image for enlarged view of GRI statement.

Global Reporting Initiative index

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

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Report line	Content	Where is it?	Reported
1.1	CEO message	Page 3 CEO message	Fully
1.2	Impacts, risks, opportunities	Page 6 About this Report — Megatrends, opportunities and risks Eastman 2013 Form 10-K , Part II, Item 7	Fully
2.1	About Eastman	Page 9 Our business About Eastman	Fully
2.2	Brands, products, services	Page 9 Our business Eastman Brands	Fully
2.3	Operating structure	Page 12 Our business How we operate	Fully
2.4	Corporate and regional headquarter locations	Kingsport, TN USA Eastman Worldwide	Fully
2.5	Countries of operation	Page 10 Our business Eastman Worldwide	Fully
2.6	Ownership	Eastman is a publicly traded company. Total common stock outstanding as of December 31, 2013, was 152,467,174 shares. Refer to Eastman's 2013 Form 10-K for additional information.	Fully
2.7	Business segments and markets	Page 11 Our business Markets we serve	Fully
2.8	Organizational scale	Page 9 Our business Refer to Eastman's 2013 Form 10-K , Part 2, Item 8 for additional information.	Fully

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Report line	Content	Where is it?	Reported
2.9	Significant changes	Eastman's 2013 Form 10-K , Part II, Item 8 Note 2 — Acquisitions and Investments in Joint Ventures Note 16 — Asset Impairments and Restructuring Charges	Fully
2.10	Awards and recognitions	Page 80 Awards	Fully
3.1	Report period	The information provided is based on 2013 corporate data for the year ending December 31, 2013.	Fully
3.2	Most recent report	Page 2 About this report	Fully
3.3	Reporting cycle	Every other year, with annual updates against goals	Fully
3.4	Report questions	Godefroy Motte Chief Sustainability Officer Eastman Chemical Company EMEA B.V. Fascinatio Boulevard 602-614 2909 VA Capelle aan den IJssel, The Netherlands gmotte@eastman.com	Fully
3.5	Process for defining report content	Page 2 About this report	Fully
3.6	Boundary of the report	Our report covers Eastman's wholly owned operations and includes information on newly acquired sites within three years of acquisition. See Eastman 2013 Form 10-K , Part I, Item 2 for additional information on Eastman's properties. See Part II, Item 8 for more information on the company's joint ventures and newly acquired sites.	Fully
3.7	Limitations on report scope	Within the context of the boundary of this report as defined in 3.6, there are no specific limitations.	Fully

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3.8	Basis for reporting that can significantly affect variability	The basis for reporting does not significantly affect the comparability from period to period.	Fully
3.9	Data measurement	Page 2 About this report	Fully
3.10	Restatements	There are no restatements.	Fully
3.11	Changes from prior reporting	None identified.	Fully
3.12	GRI Index	Page 85 GRI Index	Fully
3.13	Assurance	Eastman did not obtain external assurance for the development of this report. However, Eastman has rigorous internal policies and practices that provide assurance about the accuracy of the content of this report. Additionally, Eastman conducts internal audits of our activities in conformance with standards set by the Institute of Internal Auditors (U.S.). Internal audit assesses the information contained in the report to ensure appropriate supporting documentation exists. Many of the financial data included are taken from the consolidated financial statements contained in the Eastman 2013 <i>Annual Report</i> . These financial statements are audited by Eastman's independent registered public accounting firm, PricewaterhouseCoopers LLP.	Fully
4.1	Governance structure	Page 16 Our business — Corporate governance and code of business conduct Corporate Governance	Fully
4.2	Chair of Board of Directors	Effective June 30, 2014, Chief Executive Officer and director Mark J. Costa serves as Chairman of the Board. Board of Directors Corporate Governance	Fully
4.3	Independent directors, including presiding director	Of the 12 members of the Board of Directors, 10 are independent. Corporate Governance	Fully
4.4	Contacting the Board of Directors	Corporate Governance Guidelines	Fully

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4.5	Compensation and performance alignment	Corporate Governance Guidelines 2014 Annual Meeting and Proxy Statement	Fully
4.6	Avoiding conflicts of interest	Code of Ethics and Business Conduct for Members of the Board of Directors	Fully
4.7	Determining qualifications and expertise of directors	Corporate Governance Guidelines	Fully
4.8	Vision and values, code of conduct and principles	Page 16 Our business — Corporate governance and code of business conduct Values Code of Business Conduct	Fully
4.9	Procedures for overseeing sustainability performance	Page 18 Sustainability Council	Fully
4.10	Process for evaluating the Board of Directors' performance	Corporate Governance Guidelines	Fully
4.11	Precautionary principle	Appendix	Fully
4.12	External standards	Page 63 Product safety Page 19 Sustainability leadership — Responsible Care®	Fully

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Report line	Content	Where is it?	Reported
4.13	Associations and memberships	Page 23 Sustainability participation	Fully
4.14	Key stakeholders	Page 7 Stakeholder engagement Page 5 About this report — Value chain	Fully
4.15	Stakeholder identification/selection	Page 7 Stakeholder engagement Page 5 About this report — Value chain	Fully
4.16	Stakeholder engagement approach and frequency	Page 7 Stakeholder engagement We do not report detailed frequency of engagement by type or stakeholder group as it varies across the company and by stakeholder. This report provides an overview of Eastman's approach to stakeholder engagement, including examples of engagement in 2013 as well as stakeholder feedback and input for this year's report.	Fully
4.17	Learnings from stakeholder engagement	Page 5 About this report — Value chain Page 6 About this report — Megatrends, opportunities, and risks	Fully

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Disclosure on Management Approach EC		Where is it?	Reported
Aspects	Economic performance	Pages 9–16 Our business	Fully
	Market presence	Pages 9–16 Our business	Fully
	Indirect economic impacts	Pages 9–16 Our business	Fully

Report line	Content	Where is it?	Reported
EC1	Economic value generated and distributed	Eastman's 2013 Form 10-K , Part II, Item 8	Partially
EC2	Financial implications due to climate change	Appendix	Fully
EC3	Coverage of defined benefit plan obligations	Eastman's 2013 Form 10-K , Part II, Item 8 Note 11 — Retirement Plans Benefits and compensation at Eastman	Fully
EC4	Significant financial assistance from government	None	Fully
EC5	Range of wage ratios		—
EC6	Spending on locally-based suppliers	Appendix	Fully
EC7	Procedures for local hiring	Appendix	Fully
EC8	Commercial, in-kind, pro bono engagement	Page 72 Community engagement and giving	Fully
EC9	Indirect economic impacts		—

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Disclosure on Management Approach EN		Where is it?	Reported
Aspects	Materials	Appendix Materials used	Fully
	Energy	Page 40 Environment — Energy efficiency	Fully
	Water	Page 46 Environment — Water	Fully
	Biodiversity	Appendix Biodiversity	Fully
	Emissions, effluents and waste	Page 40 Environment — Emissions	Fully
		Page 49 Environment — Waste management	Fully
	Products and services	Page 54 Environment — Life cycle assessments	Fully
	Compliance	Page 19 Sustainability leadership, participation and advocacy — Responsible Care®	Fully
	Transport	Page 52 Environment — Supply chain management	Fully
	Overall	Page 39 Environment	Fully

Report line	Content	Where is it?	Reported
EN1	Materials used	Appendix	Fully
EN2	Recycled input materials	Appendix	Partially
EN3	Energy use by source	Appendix	Fully

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Report line	Content	Where is it?	Reported
EN4	Indirect energy use by source	Appendix	Fully
EN5	Energy conservation and efficiency improvements	Page 40 Environment — Energy/emissions	Fully
EN6	Initiatives related to renewable energy	Page 41 and 43 Environment — Energy/emissions	Fully
EN7	Initiatives to reduce indirect energy use	Page 40 Environment — Energy/emissions Due to Eastman's extensive use of combined heat and power, indirect energy consumption is a small part of our energy requirements. We continue to look for ways to reduce our indirect energy demand and replace it with highly efficient combined heat and power.	Fully
EN8	Total water withdrawal by source	Appendix	Fully
EN9	Water sources significantly affected	Appendix	Fully
EN10	Water recycled and reused	Appendix	Partially
EN11	Land in/adjacent to protected areas	Appendix	Partially
EN12	Biodiversity impacts	Appendix	Fully
EN13	Habitats protected or restored	Appendix	Fully
EN14	Strategies/plans related to biodiversity	Appendix	Partially
EN15	IUCN red list species in affected areas		—
EN16	Direct and indirect GHG emissions	Page 40 Environment Appendix	Fully
EN17	Scope 3 GHG emissions	Appendix	Partially

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Report line	Content	Where is it?	Reported
EN18	Initiatives to reduce GHG emissions	Page 40 Environment	Fully
EN19	Ozone depleting substances	Appendix	Partially
EN20	NO _x , SO _x and other air emissions	Page 40 Environment	Fully
EN21	Water discharge	Appendix	Partially
EN22	Weight of waste	Page 49 Nonhazardous waste amounts are not currently aggregated at a corporate level. Hazardous waste indexed to production found under "Waste management."	Partially
EN23	Significant spills	Appendix	Fully
EN24	Hazardous waste	Page 49 Environment	Fully
EN25	Biodiversity value of water bodies and related habitats		—
EN26	Initiatives to mitigate environmental impacts	Page 40 Environment Page 63 People and communities — Product safety	Fully
EN27	Products and packaging materials reclaimed	Page 49 Sustainable packaging	Fully
EN28	Significant fines and sanctions	Appendix	Fully
EN29	Transportation impacts	Page 61 People and communities — Transportation safety	Partially
EN30	Environmental protection expenditures	Environmental expenditures in 2013 including construction, operating, development and mandated remediation was \$262.4 million (domestic), \$19 million (international).	Fully

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Disclosure on Management Approach LA		Where is it?	Reported
Aspects	Employment	Page 64 People and communities — Employee engagement	Fully
	Labor/management relations	Page 69 People and communities — Global labor practices	Fully
	Occupational health and safety	Page 56 People and communities — Safety	Fully
	Training and education	Page 64, 65 People and communities — Employee engagement	Fully
	Diversity and equal opportunity	Page 68 People and communities — Diversity and inclusion	Fully
	Equal remuneration for women and men	Page 68 People and communities — Diversity and inclusion	Fully

Report line	Content	Where is it?	Reported
LA1	Workforce by employment type	Page 68 Diversity and inclusion	Fully
LA2	Employee hiring/turnover	Appendix	Fully
LA3	Benefits to full-time employees	Benefits and Compensation	Partially
LA4	Collective bargaining	Collective bargaining agreements cover 10.2 percent of Eastman's global workforce.	Fully
LA5	Minimum notice periods for operational changes	Appendix	Fully

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Report line	Content	Where is it?	Reported
LA6	Joint management/worker health and safety committees	Page 60 Personal safety — Process safety	Partially
LA7	Rates of injury and work related fatalities	Page 58 People and communities — Safety	Partially
LA8	Global health and wellness programs	Page 70 People and communities — Employee engagement	Fully
LA9	Health and safety topics for trade unions		—
LA10	Employee training	Page 64 People and communities — Employee engagement	Partially
LA11	Programs for skills management and lifelong learning	Page 64 People and communities — Employee engagement Why Eastman	Partially
LA12	Performance and career development reviews	Page 64 People and communities — Employee engagement Careers at Eastman	Partially
LA13	Diversity and inclusion	Page 68 People and communities — Employee engagement	Fully
LA14	Equal remuneration		—

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Disclosure on Management Approach HR		Where is it?	Reported
Aspects	Investment and procurement practices	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Nondiscrimination	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Freedom of association and collective bargaining	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Child labor	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Prevention of forced and compulsory labor	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Security practices	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Indigenous rights	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Assessment	Page 16 Our business — Corporate governance and code of business conduct	Fully
	Remediation	Page 16 Our business — Corporate governance and code of business conduct	Fully

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Report line	Content	Where is it?	Reported
HR1	Investments/contracts incorporating human rights screening	Appendix	Partially
HR2	Screening of suppliers and contractors	Page 16 Our business — Corporate governance and code of business conduct Page 52 Environment — Suppliers	Partially
HR3	Employee training	Page 16 Our business — Corporate governance and code of business conduct	Partially
HR4	Incidents of discrimination and actions taken		—
HR5	Right to exercise freedom of association	Eastman complies with all laws designed to preserve the right to exercise freedom of association and collective bargaining. Eastman has not identified any operation at which those rights are at significant risk.	Fully
HR6	Incidents of child labor	Page 69 People and communities — Global labor practices Code of Business Conduct	Fully
HR7	Risk for incidents of forced labor	Page 69 People and communities — Global labor practices	Fully
HR8	Security training	Page 62 People and communities — Safety	Partially
HR9	Violations involving right of indigenous people		—
HR10	Operations subject to human rights assessments		—
HR11	Grievances and resolution		—

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Disclosure on Management Approach SO		Where is it?	Reported
Aspects	Local communities	Page 72	Fully
	Corruption	Page 16 Our Business — Corporate governance and code of business conduct	Fully
	Public policy	Page 19 Sustainability leadership, participation and advocacy — Responsible Care	Fully
	Anti-competitive behavior	Page 16 Our Business — Corporate governance and code of business conduct	Fully
	Compliance	Page 16 Our Business — Corporate governance and code of business conduct	Fully

Report line	Content	Where is it?	Reported
SO1	Community engagement and development	Page 72 People and communities — Community engagement	Fully
SO2	Risk assessment for corruption	Eastman conducts an annual risk assessment of 100 percent of our business, which includes risks relating to corruption.	Fully
SO3	Anti-corruption training	Page 16 Our business — Corporate governance and code of business conduct	Fully
SO4	Anti-corruption actions	Where any incident of corruption was identified, appropriate disciplinary action was taken in conformance with application laws.	Fully
SO5	Public policy positions	Appendix	Fully
SO6	Value of contributions to political parties	Appendix	Fully
SO7	Legal actions for anti-competitive behavior		—
SO8	Fines and sanctions for noncompliance	Eastman is unaware of any significant fines in 2013 relating to noncompliance with laws and regulations.	Fully

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Disclosure on Management Approach PR		Where is it?	Reported
Aspects	Customer health and safety	Page 63 People and communities — Product safety	Fully
	Product and service labeling	Page 63 People and communities — Product safety	Fully
	Marketing communications	Appendix Marketing	Fully
	Customer privacy	Page 16 Our Business — Corporate governance and code of business conduct	Fully
	Compliance	Page 16 Our Business — Corporate governance and code of business conduct	Fully

Report line	Content	Where is it?	Reported
PR1	Life cycle assessment of health and safety	Page 54 Environment — LCA	Partially
PR2	Noncompliance with regulations and codes during life cycle	Page 63 Product safety	Partially
PR3	Product and service information per procedures	Page 63 People and communities — Product safety	Fully
PR4	Incidents of labeling noncompliance	Appendix	Partially
PR5	Customer satisfaction	Appendix	Partially
PR6	Marketing and adherence to laws and standards	Appendix	Fully

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Report line	Content	Where is it?	Reported
PR7	Incidents of noncompliance with marketing-related regulations	Eastman is unaware of any significant fines in 2013 concerning marketing communications.	Fully
PR8	Customer privacy	We are not aware of any complaints regarding breaches of customer privacy or loss of customer data in 2013.	Fully
PR9	Noncompliance with regulations for use of products	Eastman is unaware of any significant fines in 2013 concerning the provision and use of our products and services.	Fully

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4.11 Precautionary principle

The core elements of the precautionary principle are reflected in our fundamental business processes. Eastman believes we have a responsibility to conduct our business activities in a manner that is protective of health and the environment. Corporate Guiding Documents such as our Code of Business Conduct and our Responsible Care® Pledge reflect our commitment to that belief. Those documents and supporting policies and procedures address our approach to the application of risk identification, assessment and management principles to our activities which is fundamental to application of the precautionary principle.

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

EC2 Financial implications due to climate change

Eastman is exposed to regulatory risks. We are a chemical manufacturing company and, as such, are an energy-intensive company with large carbon emissions. Generally, Eastman is no more at risk from climate change regulation than other energy-intensive industries, and in fact, Eastman's great results at improving energy intensity reduce Eastman risk levels. Regulatory constraints on carbon emissions can impact the development of new GHG emitting processes and facilities for Eastman, as well as our customers and suppliers.

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

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

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EC6 Spending on locally-based suppliers

Eastman's policy is to purchase products and services based on total value for the company. Factors that Eastman considers when making purchasing decisions include competitive pricing, quality of work and materials, timely performance and commitment to sustainability. Procurement strategies are continuously being developed and implemented to provide appropriate assurances of sources for important goods and services necessary to the company's operations. Procurement strategies may include the development of a local supply base to ensure timely and reliable delivery. The following table summarizes the percentage of purchases from local suppliers by major plant sites. For United States locations, local is defined as within the state. For locations outside the United States, local is defined as within the country.

Major site	State	Country	% of purchases that are local
Jefferson	Pennsylvania	United States	23
Jurong Island		Singapore	97
Kingsport	Tennessee	United States	14
Longview	Texas	United States	73
Middelburg		The Netherlands	27
Workington		England	97
Indian Orchard	Massachusetts	United States	2
Anniston	Alabama	United States	2

EC7 Procedures for local hiring

Recruiting and hiring strategies are typically focused on local (within a city or local region) talent for hourly workers and regional (within a specified region of the country) talent for professional employees.

In most locations, a majority of senior management (defined as the highest two levels of management at the site) came from the local talent pool. In addition, most of those that came to the site from outside the local community at one time have been long-term residents of the community by the time they are appointed to senior management.

Eastman occasionally uses expatriate assignments both for developing management candidates and filling local gaps in management talent. However, in cases where this results in a majority of senior management at a specific location coming from outside the local/regional area, the company oversees aggressive leadership development initiatives to develop local talent for future leadership roles at the location.

EN1 Materials used

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

In 2013, major raw materials purchased, including feedstocks and materials consumed as fuel, were nearly 9.5 million tons. Eastman is beginning to implement and, in the future, will look to use fuel sources with lower emissions. We are currently in the process of converting the steam producing boilers at our Chestertown, Maryland, facility from combusting No. 6 fuel oil to propane, and at our Kingsport, Tennessee, facility, we have begun converting a powerhouse that provides approximately 50% of the steam and electricity for site manufacturing from coal to natural gas combustion.

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EN2 Recycled input materials

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

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

EN3 Energy use by source

Eastman used about 80 trillion Btu (84 million gigajoules) in 2013 to produce products. About 85 percent of this direct energy was produced from purchased natural gas and coal, and about 15 percent was recovered fuel from feedstock. Eastman now meets essentially all steam and more than 90 percent of our global electricity needs with cogeneration, which uses up to 40 percent less fuel, produces much fewer emissions and therefore has less of an impact on air quality. As a result, our direct energy consumption is 97 percent of our total energy consumption.

EN4 Indirect energy use by source

In 2013, Eastman used about 2 trillion Btu (2.1 million gigajoules) of indirect energy, primarily in the form of electricity to produce our products.

EN8 Total water withdrawal by source

For Eastman facilities, the majority of water for manufacturing use consists of withdrawals from adjacent surface waters. Purchases of water from utilities, third parties and groundwater withdrawal accounts for a less significant portion of total use. An estimated 650 million cubic meters of water was withdrawn, purchased or pumped in 2012 and greater than 90 percent of that water is returned to the source. The primary use of the water is for noncontact cooling.

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EN9 Water sources significantly affected

Eastman's withdrawals do not significantly affect any water source. Comprehensive river studies conducted by the Academy of Natural Sciences at our largest manufacturing facilities in Kingsport, Tennessee, and Longview, Texas, confirm the continued and improving health of surface waters in the vicinity of our two largest operations. In 2014, Eastman will begin development of a water conservation strategy for manufacturing sites in water-stressed regions.

EN10 Water recycled and reused

Although a number of Eastman's sites reuse and/or recycle water, this water usage data is not currently compiled for the company.

EN11 Land in/adjacent to protected areas

Eastman currently does not have a formal listing that delineates lands owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas. When considering acquisitions, permit requirements and other activities, Eastman may at times evaluate such aspects but a compilation of such information is not currently available.

EN12 Biodiversity impacts

Eastman is not aware of any significant impacts on biodiversity in 2013. Since the 1960s, Eastman has partnered with the Academy of Natural Sciences to study the rivers upstream and downstream of our major United States manufacturing sites to ensure that our operations are not negatively impacting the environment. Two of the most extensive of these river studies are focused around the Kingsport, Tennessee, and Longview, Texas, sites. The studies conducted in 2010 again confirmed in both cases that our operations do not adversely impact these water bodies.

EN13 Habitats protected or restored

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

- The women and men at our Texas Operations received international recognition for their contributions to conservation education at the Wildlife Habitat Council's (WHC) 25th Annual Symposium, Celebrating Corporate Conservation. There, Eastman demonstrated its commitment to environmental stewardship by achieving Corporate Lands for Learning certification and were one of three finalists for the Rookie of the Year. Texas Operations' longstanding environmental education program provides site-based outdoor learning opportunities to numerous groups throughout Gregg and Harrison Counties and beyond. Partnering on educational programs reaches hundreds of students and interested citizens each year. We are now recognized as an industry leader in corporate conservation and a model for how the Wildlife Habitat Council connects corporations and communities to create habitat and increase biodiversity on corporate properties for the benefit of all.
- The nature center at Texas Operations encompasses around 100 acres and includes a nature trail, outdoor classrooms and a demonstration forest. There is also an outdoor amphitheater area and an observation beehive. A variety of educational and outreach activities include:
 - A Demonstration Forest, which was recognized at both the state and national level. Eastman received Tree Farm status from the American Tree Farm System and was also selected as a Certified Forest Steward by the Texas A&M Forest Service. The demonstration forest is managed under the Stewardship Forest Management Plan developed by Texas A&M Forest Service. We continue to maintain both certifications of our forest.

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- Forest Awareness Tours (FATs) are workshops held at our nature center using our outdoor classrooms, amphitheater, trails, demonstration forest, stream, and observation beehive. We work with a variety of children throughout the year — from kindergarten through high school. Depending on the length of the event, teachers can choose from a variety of different stations including but not limited to Wildlife, Forestry Mensuration, Tree ID, Soils, Bees, Birds, Fire in the Forest, Eastman Environmental, Geocaching, Every Tree for Itself, Plant a Tree, and Water Testing. They can spend anywhere from 2–6 hours rotating through different stations where they learn about a wide variety of environmental education topics from experts in the fields representing the following partner organizations: Texas A&M Forest Service, Natural Resource Conservation Services, Texas Parks and Wildlife Department, East Texas Beekeepers Association, North East Texas Field Ornithologists, and Eastman employees. Students leave with a better understanding of the environment around them and how they can be good environmental stewards.
- We work with Texas A&M Forest Service to host the annual Project Learning Tree® (PLT) Walk in the Forest for educators. PLT is an award winning environmental education curriculum for educators of students pK–8. PLT's mission is to teach students “how to think” not “what to think” about the environment. PLT helps develop student skills in creative problem solving, critical thinking, evaluation and research. These annual workshops are held at our nature center.
- The site has partnered with a local university (LeTourneau University—LETU) in the Longview, Texas, area to have education majors attend the PLT training as well. That has been a very positive action for both Eastman and the university. We have seen our numbers increase for PLT with almost half of the participants coming from the university.
- Texas Operations continues support of birding efforts at our facility and nature center. Bird counts occur throughout the year at and around the nature center. The counts occur across our entire 6,000 acre site, not just at our Nature Center area. For the local birding organization, North East Texas Field Ornithologists (NETFO), there are 2–3 counts during the year. Typically around 10 birders visit the property and count a variety of species (as low as 16 and as high as 65 different species). Each December, our facility is host to the city Christmas Bird Count where Eastman's property represents about 15% of the area covered and over 90% of the species tallied in the city count. Over 100 species are usually identified each year.
- We continue to manage and maintain data on the deer population in the habitat area through techniques such as planting food plots and conducting deer surveys every other year. We work with the Texas Parks and Wildlife Department to conduct deer surveys every other year, with the most recent survey conducted in 2012. Previous surveys showed that there was an abundance of deer on the property, but numbers did drop in the last survey — mainly due to the summer drought and wildfires.
- We continue support of the Honeybee Observation Hive, which offers visitors an opportunity to watch bees in their natural habitat. The hive was developed in 1999 and is maintained by the East Texas Beekeepers Association. A large “house” surrounds the hive and was constructed in 1999 by an Eagle Scout.
- The nesting box management program is currently led by an Eastman employee and scout leader and his troop. Most of the boxes were built in 1999 by scouts. The troop cleans and repairs the boxes around the nature center and the plant site twice a year. There are currently around 30 boxes, both wood duck and blue bird.

Global Reporting Initiative appendix, *continued*

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- A Tennessee Environmental Conference is held annually in Kingsport, Tennessee. The conference topics include climate change and biodiversity. Eastman sponsored 15 students and two teachers to attend. The total value of the sponsorship is about \$3,400.
- Eastman and Texas A&M Forest Service partnered to plant trees at local elementary schools in celebration of Earth Day. The Texas A&M Forest Service forester planted trees at four area schools and described the importance of trees to everyday life and the environment. He also talked with students about what the trees will need to survive and grow. Each tree was carefully selected for the area where it was planted and a brick plaque was left by each tree in commemoration of the event. Trees that were planted were Shumard Oaks, Overcup Oak and a Red Maple.
- The Eastman Foundation has been a partner to The Nature Conservancy since 1991 and, over the years, has donated more than \$260,000. These funds have helped preserve Shady Valley, a rare high-elevation remnant of the last Ice Age, located in Johnson County in the northeastern corner of Tennessee, just outside Cherokee National Forest. Shady Valley has long been recognized as one of the Southern Appalachians' most ecologically important areas. The valley was once covered with a network of sphagnum/cranberry peat bogs and white pine/hemlock forests, which supported a rich community of plant and animal life. To protect the wetland plants and animals from extinction, The Nature Conservancy purchased its first nature preserve in Shady Valley in 1979, the Jess Jenkins Cranberry Bog.

The Conservancy later transferred the preserve to East Tennessee State University for scientific research and educational purposes. Today the Conservancy owns four preserves and 723 total acres in Shady Valley, including 468 acres of mountain land and approximately 255 acres on the valley floor. The Conservancy permits or leases land in Shady Valley for haying, cattle, and/or hunting — practices which are consistent with standard protection strategies for the rare plants and animals in the area. Of the 723 acres owned by The Nature Conservancy, 452 were donated by a charitable individual in 1996. The rest were purchased at fair market value from willing sellers. Shady Valley supports at least 26 rare plants and animals. The valley's wetlands are one of only two places in Tennessee where cranberries grow naturally. These wetlands are also home to the bog turtle, which is federally listed as a threatened species.

- For more than 45 years, Eastman has demonstrated a continuing concern for the health of aquatic life in the rivers near its manufacturing sites through its sponsorship of environmental studies conducted by The Academy of Natural Sciences. The studies document water quality and quantify the health and diversity of populations of plants, insects, aquatic invertebrates and fish within selected zones of the rivers. Academy researchers compare the results for each zone to those of the other zones to gauge the impact a variety of stressors may have on ecosystem "health" and compare the results of the current studies to previous Academy studies to understand changes over time. Eastman sponsored the Academy's initial studies of the Holston River at its Kingsport site in 1965 and of the Sabine River at its Longview site in 1982. Additional studies were conducted on the Holston River in 1974, 1977, 1980, 1990 and 1997 and on the Sabine River in 1987, 1995, 2000 and 2005. In 2010, studies were conducted on both rivers with combined costs of nearly \$900,000. Additional studies are planned for 2015 on the Sabine River and 2018 on the Holston river.
- Sustrans, a movement to enable people to choose healthier, cleaner and cheaper journeys, was granted permission to build a safe, traffic-free part of National Cycle Route 4 on our Newport, South Wales, facility fields.
- We are a corporate member of Gwent Wildlife Trust, and 31 hectares of fields from our Newport facility are managed as a nature reserve. The main habitat is grazing marsh, with associated reens and grips. The grazing marsh supports a diversity of plants including lesser spearwort, rushes and sedges in the damper areas. In drier areas, meadow vetchling and yellow-rattle can be found, along with scarcer plants such as southern marsh orchid and grass vetchling. The site provides a good habitat for birds such as reed bunting, sedge warbler and Cetti's warbler. The densely shaded reens are being opened to improve the area for wildlife, including otters and water voles. The fine-leaved water-dropwort, a rare relative of cow parsley, has also benefited.

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- One of the U.K.'s rarest bumblebee species, the shrill carder-bee, has its main British stronghold in the Gwent Levels, including the reserve located at our Newport facility.
- Our Kuantan, Malaysia, facility supports and participates in Environmental Week held by the Department of Environment to promote public awareness of environmental protection. In the past, the site has coorganized and participated in a river clean-up and tree replanting at Balok River, Kuantan.

EN14 Strategies/plans related to biodiversity

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

EN16 Direct and indirect GHG emissions

Direct greenhouse gas emissions (GHG) are from sources controlled and operated by Eastman. Indirect GHG emissions result from Eastman's purchase of energy generated by facilities owned by another company. We measure our emissions based on the protocol recommended by the Intergovernmental Panel on Climate Change (IPCC) and the American Chemistry Council Responsible Care® guidelines. We are also measuring GHG emissions in accordance with the EPA Mandatory Reporting Rule (MRR), which is a different methodology from the IPCC/ACC methodology. Our 2013 direct greenhouse gas emissions using the IPCC methodology were approximately 6,055,992 metric tons. Not all sites measure GHG, but based on energy usage, this number represents more than 90 percent of our global emissions. Eastman has a [sustainability goal](#) to reduce GHG intensity by 20 percent over 10 years.

EN17 Scope 3 GHG emissions

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

EN19 Ozone depleting substances

Although some of the manufacturing sites may compile information concerning estimate of emissions of these compounds, a compilation of such information for the company as a whole is not available.

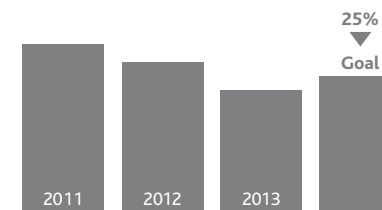
EN21 Water discharge

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

EN23 Significant spills

Reportable releases by year, compared to goal

See www.eastman.com/sustainability for detailed charts.



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EN28 Significant fines and sanctions

Eastman uses an internal reporting mechanism to ensure that all fines and penalties associated with noncompliance with environmental laws and regulations are captured in one place. This system applies globally and includes all fines and penalties of any size. For 2013, the company is not aware of any nonmonetary sanctions that should be reported. The company paid \$647,598 in 2013 for fines and penalties, which includes amounts paid for supplemental environmental projects. When appropriate, supplemental environmental projects may include expenditures for pollution prevention, support of local emergency response providers, education activities and similar projects that may benefit public welfare and the environment.

LA2 Employee hiring/turnover

Attrition by gender	Attrition by age	Attrition by region
Male employees: 6.4%	Less than 30 years: 5.5%	North America: 6.0%
Female employees: 7.9%	30 to 50 years: 4.6%	Europe, Middle East and Africa: 8.3%
	Greater than 50 years: 10.2%	Asia Pacific: 11.5%
		Latin America: 9.1%

Hires by gender	Hires by age	Hires by region
Male employees: 6.6%	Less than 30 years: 28.3%	North America: 6.6%
Female employees: 8.2%	30 to 50 years: 6.6%	Europe, Middle East and Africa: 6.5%
	Greater than 50 years: 1.3%	Asia Pacific: 12.1%
		Latin America: 6.8%

LA5 Minimum notice periods for operational changes

Eastman deploys multiple information technology solutions (e.g., intranet, paging systems, voicemail, emergency alarm systems, etc.) to ensure prompt and effective communication to our employee groups. In the event of operational changes that involve a change in employment status, significant planning is completed to ensure employees are treated with the utmost respect and dignity. Labor and employment laws including, but not limited to WARN Act, collective bargaining agreements, etc., are recognized and respected in all locations globally.

HR1 Investments/contracts incorporating human rights screenings

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

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SO5 Public policy positions

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

- **Taxes** — The U.S. has the highest corporate tax rate in the world. Eastman supports comprehensive tax reform that lowers this tax rate to a level that helps ensure U.S. competitiveness.
- **Trade** — As one of the country's largest exporters, Eastman supports open access to markets for trade and investment, while ensuring our domestic markets are not subjected to unfair trade practices. In addition, Eastman opposes trade barriers, which include tariff barriers, nontariff barriers, investment restrictions or other methods of protectionism.
- **Environmental regulations** — Eastman applauds regulations that balance environmental protection with domestic economic growth and the preservation of good, domestic manufacturing jobs. In particular, Eastman supports a climate change policy that does not diminish the global competitiveness of U.S. manufacturers.
- **Energy policy** — Energy and energy feedstocks are critical to Eastman's operations and that of the entire chemical industry. Energy prices have been extremely volatile. This volatility impacts all aspects of our business, from forecasting, to product pricing, to project financial evaluations. Eastman supports domestic energy policies that foster a diverse and inexpensive supply of energy generated from a broad spectrum of domestic sources, as well as expanded energy research, development and deployment. Such policies should incent energy efficiency including the cogeneration of steam and

electricity (also known as Combined Heat and Power, or CHP), which Eastman has practiced for more than 80 years. Eastman has been an ENERGY STAR® Partner since 2008 and has been named ENERGY STAR Partner of the Year three consecutive years, achieving Sustained Excellence in 2014. In addition, we partner with the Department of Energy through the Better Buildings, Better Plants Program and have committed to a 20% reduction in energy intensity by 2020.

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

Eastman works with several trade associations engaged in lobbying efforts. Eastman also employs internal lobbyists and contract lobbyists at both the state and federal levels to interact with public officials on these important issues. Those individuals spend most of their time educating members of state and federal legislatures and their staffs on the potential impact that public policy decisions could have on Eastman's businesses. Eastman complies with all requirements for reporting lobbying activity with the federal government and with state governments in states where there are Eastman facilities. In 2012, Eastman reported to the Internal Revenue Service that we spent \$1,937,732 on state and federal lobbying activities in the United States.

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SO6 Value of contributions to political parties

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

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

In 2013, EastmanPAC contributed \$281,000 to state and federal candidates in the U.S. No political contributions are made to entities outside the U.S. Eastman works with an outside vendor to file all reports and to make sure all contributions comply with state and federal campaign finance regulations. All of EastmanPAC's Federal Election Commission (FEC) filings are available online at www.fec.gov. State disclosure reports are also available by visiting the state campaign finance websites in Alabama, Pennsylvania, Maryland, Massachusetts, Tennessee and Texas. In states where the law allows corporate contributions, Eastman supports state candidates. Corporate contributions to state candidates in Tennessee, Virginia, and South Carolina totaled \$61,000 in 2013.

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

PR4 Incidents of labeling noncompliance

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

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

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

PR6 Marketing and adherence to laws and standards

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

Goals and progress

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



Goals and progress, *continued*

Sustainable innovation goals

Sustainable innovation goals	Progress	Progress details
Achieve mid-single-digit compounded annual volume growth rate through 2013	✓	Achieved — 2013 EPS (Non-GAAP) was \$6.44
Earnings per share (EPS) compounded annual growth rate (CAGR) >10%	✓	Achieved — 2010 to 2013 EPS (Non-GAAP) CAGR ~21%
Continue to pursue organic and inorganic growth to enhance our portfolio of sustainable alternatives for emerging markets	●	Based on 2013 assessment and internal criteria, >60% of the revenues from new product launches are from sustainability-advantaged products (equal to the greenest alternative) with a projection to exceed our goal in 2015. Sustainable Innovation section
Ensure two-thirds (2/3) of revenues from new product launches is advantaged on assessed sustainability criteria by 2015	●	Based on 2013 assessment and internal criteria, >60% of the revenues from new product launches are from sustainability-advantaged products (equal to the greenest alternative) with a projection to exceed our goal in 2015. Sustainable Innovation section
Develop new business utilizing renewable feedstocks by 2020	◐	A cross-functional Sustainable Materials Team coordinates an ongoing effort to identify and assess opportunities to increase Eastman's use of renewable feedstocks and bioconversion technologies. The Team monitors and screens business and technology developments for relevance to Eastman's sustainability goals. The Team then supports experimental work, process modeling, and collaboration discussions for the most promising opportunities.

○ New ◐ Needs Improvement ● On Track ✓ Met

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Goals and progress, *continued*

Environmental goals

Environmental goals	Progress	Progress details
Improve energy efficiency of operations 2% year over year (or 20% from 2008 to 2020) against a 2008 baseline of 11.6 MMBtu/1000 kg produced (U.S. sites). Our previous 2008 baseline of 11.1 MMBtu/1000 kg produced has been adjusted to 11.6 MMBtu/1000 kg produced to reflect energy intensity data reported from five additional U.S. sites.		Reported 1% reduction in 2013 compared to 2012
Reduce greenhouse gas (GHG) emissions per unit of production (GHG intensity) by 20% from 2008 to 2018 against a 2008 baseline of 0.94 equivalent lb of CO ₂ emissions per lb produced. The previous baseline of 0.92 established in 2008 has been adjusted to 0.94 as a result of including heritage Solutia sites.		Achieved a 1% improvement in 2013 compared to 2012
Complete life cycle assessments (LCAs) on product families aligned with our customers' priorities (approximately 60% of products that represent 80% of 2011 revenues)		Met the goal Through 2013, completed LCAs for 74% of top selling products (Eastman and Solutia combined) that account for 80% of revenue.
Complete LCAs on all new product family launches		Completed LCAs for 19 product families that have been commercialized since 2010. There have been 33 product launches since then for a 58% completion rate. Environment section/LCAs

New
 Needs Improvement
 On Track
 Met

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Environmental goals	Progress	Progress details
Develop a baseline for water used at Eastman sites in water-stressed regions of the world	✓	Met the goal Used the World Business Council for Sustainable Development (WBCSD) Water Tool to collect information from manufacturing sites and identified particular sites that are located in areas predicted to be water stressed in 2025. Began efforts to collect water consumption and water availability information from sites.
Reduce nitrogen oxide (NO _x) by 20% and sulfur dioxide (SO ₂) by 40% from 2010 to 2020; NO _x baseline of 10,848 tons in 2010; SO ₂ baseline of 22,828 tons in 2010. Baselines have been adjusted as a result of including heritage Solutia sites.	◐	2013 NO _x emissions were 11,265 tons, an increase of 3.8% compared to our baseline of 10,848 tons. 2013 SO ₂ emissions were 21,707 tons, a decrease of about 4.9% compared to our baseline of 22,828 tons. In April 2014, we successfully converted one boiler at our Kingsport, Tennessee, site from coal to natural gas combustion. Over the course of the next three years, we plan to convert a total of five more boilers at two sites. The conversion from coal to natural gas will enhance our reduction efforts in NO _x and SO ₂ emissions and help us attain our goals.
Reduce Volatile Organic Compounds (VOC) by 15% from 2010 to 2020 against a baseline of 7,505 tons in 2010. Baselines have been adjusted as a result of including heritage Solutia sites.	◐	2013 VOC emissions were 7,380 tons, a decrease of 1.7% compared to our baseline of 7,505 tons.
Reduce total number of reportable releases by 25% from 2010 to 2020 against a baseline of 61 release events in 2010. Baselines have been adjusted as a result of including heritage Solutia sites.	●	In 2013, we had 41 reportable release events, a decrease of 33% compared to our baseline of 61.

○ New ◐ Needs Improvement ● On Track ✓ Met

Goals and progress, *continued*

Environmental goals, *continued*

Environmental goals	Progress	Progress details
Reduce Toxic Release Inventory (TRI) emissions to the air by 25% from 2010 to 2020 against a baseline of 5.4 million pounds in 2010. Baselines have been adjusted as a result of including heritage Solutia sites.		2012 TRI air emissions were 5.57 million pounds for an increase of 3.1% compared to our baseline of 5.4 million pounds.
Reduce hazardous waste (indexed to production) by 15% from 2010 to 2020 against a baseline of 0.005624 kg waste/kg production in 2010. Baselines have been adjusted as a result of including heritage Solutia sites.		2013 hazardous waste indexed to production was 0.005714 kg per kg of production, a 1.6% increase compared to our baseline year of 2010.

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Societal goals	Progress	Progress details
Maintain our strong commitment to health, safety and employee well-being with continued goals and incident tracking for Corporate Injury and Illness Recordable Rates, Days Away from Work Rates and Process Safety Incidents		We recognize that improvements need to be made to meet our safety goals. We continue to emphasize our commitment to safety with training, education, communication, policies and processes to help us develop a culture of safety. 2013 Injury and Illness Rate — 0.74 2013 DAW Rate — 0.26 People and Communities section
Achieve Process Safety Goal of <5 incidents in 2013 (incidents defined as per the American Chemistry Council)		Process Safety Incidents in 2013 — 9 incidents.
Enhance recruiting, training, communications and mentoring practices with a focus on diverse global perspectives and public policy issues		Met the goal Talent Acquisition has increased its efforts to brand and attract talent with wide range of experiences and backgrounds. Recent activities include attending the National Society of Black Engineers 2014 national conference and multiple military events/career fairs. People and Communities section
Continually improve diversity in our professional hiring pipeline to enrich our collective point of view, including U.S. percentages (where the majority of our employee base is located) for females (30%) and minorities (15%)		We continue to exceed our goals for female and minority hiring for business and technical (B&T) positions. In 2013, 35% of B&T hires were female and 21% of B&T hires were minorities.
Offer diverse and challenging volunteer opportunities to employees		A plan has been developed to implement a “dollars for doers” program and to add a volunteer database for employee access and tracking.

New
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 On Track
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Societal goals	Progress	Progress details
Create a culture that thinks and acts in more sustainable ways with volunteer "Green Teams" creating meaningful sustainability improvements at Eastman sites by 2015	✓	<p>Met the goal</p> <p>Due to the engagement of Eastman team members, many improvement and process changes have been implemented at various Eastman sites. Examples include:</p> <p>Longview site expanded recycling from two office buildings to the entire plant.</p> <p>Texas City site has developed a commercial application for plasticizer filter cake that was previously sent for disposal.</p> <p>Jefferson site replaced four antiquated marine boilers with four new gas-fired, high efficiency, low sulfur boilers equipped with 2-stage economizers; Jefferson also upgraded the lighting systems in its Finished Goods warehouse, main office and Jefferson Technical Center, resulting in energy savings of approximately 50%.</p> <p>Trenton site replaced mercury vapor and sodium vapor street lighting with LED lighting, resulting in an energy savings equivalent to 2,670 MMBtu of fossil fuel; Upgraded HVAC controls and added fresh air cooling in the main office building. Energy savings equivalent to 4,500 MMBtu of fossil fuel plus improved indoor air quality.</p> <p>Tlaxcala Mexico site — Achieved safety milestone of 1,000 days without any accidents</p> <p>Several sites, including the company's largest site in Kingsport have encouraged employee involvement in the community through organizations such as the United Way. The Miami and Mexico City offices support various projects as part of United Way's early educational programs.</p> <p>People and Communities section</p>

○ New ◐ Needs Improvement ● On Track ✓ Met

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Societal goals	Progress	Progress details
Become known as a company of employees committed to community involvement	●	In 2013, Eastman's CEO hosted an employee volunteer appreciation luncheon in Kingsport, where more than 300 Eastman volunteers were recognized for their community involvement. People and Communities section
Complete neighborhood pulse surveys at every site with more than 300 employees by 2015 and track perception of Eastman in the communities where we live and work	●	In 2013 Martinsville, Virginia, community was surveyed, leaving Indian Orchard, Massachusetts, as the last domestic site with more than 300 employees not surveyed.
Develop philanthropic and contribution strategies which support company strategic objectives; reassess strategies annually to ensure strategic linkage	●	The Eastman Chemical Company Foundation has developed a strategy, and communications are underway to share with sites.
Expand contribution and philanthropic strategy across all Eastman sites and develop online, real-time system for tracking	◐	Following the acquisition of Solutia, we are working to develop strategies for newly acquired sites. In 2013, a strategy was developed for our site in Springfield, Massachusetts, and work is underway to complete a similar strategy for our site in Martinsville, Virginia.

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Societal goals	Progress	Progress details
Expand our value chain engagements to focus on strategic sustainability issues with key influencers, such as designers, academia, governmental organizations and NGOs	✓	<p>Met the goal</p> <p>We have been (and will continue to be) active participants in several WBCSD cross-sector, cross stakeholder initiatives, including:</p> <ul style="list-style-type: none"> Reaching Full Potential's Avoided GHG Emissions Metrics for value chains across sectors (project complete and document published in 2013); Reaching Full Potential's Product Life Cycle Metrics (ongoing); Reaching Full Potential's value chain projects in Mobility, Construction and Packaging (ongoing); Reaching Full Potential's social metrics LCA (being scoped now); Action 2020 Safe Material Lifecycles Business solution for cross-sector value chains; and WBCSD's Redefining Value project (reporting project on natural and social capital being scoped now). <p>People and Communities section</p> <p>Leadership, Participation and Advocacy section</p>

○ New ◐ Needs Improvement ● On Track ✓ Met

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