



2022 Task Force on Climate-related Financial Disclosures Index

EASTMAN

Task Force on Climate-related Financial Disclosures (TCFD)

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

Disclosure focus area	Disclosure	Response 2022	Reference
GOVERNANCE			
Disclose the organization’s governance around climate-related risks and opportunities.	a. Describe the Board’s oversight of climate-related risks and opportunities.	Eastman’s Environmental, Safety and Sustainability (ESS) Committee of the Board of Directors and other committees, as appropriate, are responsible for climate-related risks and opportunities.	CDP Climate Change Response (C1.1 , C1.1a , C1.1b , C1.1d), ESS Committee charter and p.31 2022 Proxy Statement , CDP Water Security Response (W6.2 , W6.2a , W6.2b , W6.2d), Materiality
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	Eastman’s Chief Sustainability Officer, a member of the Executive Team, presents climate-related risks and opportunities to the ESS Committee. These issues are managed through the Company’s cross-functional issue management process.	CDP Climate Change Response (C1.2 , C1.2a) CDP Water Security Response (W6.3)

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STRATEGY			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	a. Describe the climate-related risks and opportunities Eastman has identified over the short, medium, and long term.	RISKS Transition — Policy and Legal: Current carbon pricing regulation; emerging carbon pricing regulation Physical — Acute: Increased frequency of extreme weather events OPPORTUNITIES Resource efficiency — Returns on investment in energy efficiency projects Products/services — Molecular recycling technologies Markets — Access to new markets through climate-related products and solutions	CDP Climate Change Response (C2.1, C2.2, C2.2a, C2.3, C2.3a, C2.4, C2.4a, C11.1d, C11.3) CDP Water Security Response (W4.3a) Eastman and the circular economy 10K SEC disclosure risks and opportunities related to climate change p. 8, 21, 59
	b. Describe the impact of climate-related risks and opportunities on Eastman's businesses, strategy, and financial planning.	Climate-related risks and opportunities impact in different ways Eastman's products and services, supply chain, investment in R&D, and the company's operations. Eastman's use of an internal carbon price to illustrate future carbon pricing mechanisms is an example of how climate impacts the company's capital expenditures.	CDP Climate Change Response (C2.3a, C2.4a, C3.1, C11.1d, C11.3) CDP Water Security Response (W4.3a, W7.1) 10K SEC disclosure 'Risks Related to Regulatory Changes and Compliance' p.59
	c. Describe the resilience of Eastman's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	In 2022, Eastman conducted a robust climate scenario analysis which was led by an internationally recognized climate and sustainability consulting firm. Four publicly-available climate scenarios were used: International Energy Agency's (IEA) Net Zero Emissions (NZE) 2050 scenario; IEA Sustainable Development Scenario (SDS); IEA Announced Pledges Scenario (APS); and IEA Stated Policies Scenario (STEPS). Resulting from the scenario analysis, Eastman identified the following areas of our strategy that may have more concentrated impact areas: new and emerging markets; low carbon technologies aligned with decarbonization transition; and employee health and well-being. We are currently evaluating strategic considerations that will integrate forward-looking resiliency planning into our organization. For more information, please see the reference links.	CDP Climate Change Response (C3.2 , C3.2a , C3.2b), CDP Water Security Response (W7.3 , W7.3a), TCFD scenario analysis

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

Disclosure focus area	Disclosure	Response 2022	Reference
METRICS AND TARGETS			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a. Disclose the metrics used by Eastman to assess climate-related risks and opportunities in line with its strategy and risk management process.	Eastman uses several climate-related metrics to track progress and performance. These can be found in Eastman's ESG Datasheet . Metrics include Scope 1, Scope 2, and Scope 3 emissions as defined by the widely accepted GHG Protocol Corporate Accounting and Reporting Standard. Eastman also uses an internal carbon price for its financial analysis of strategic business and investment decisions.	CDP Climate Change Response (C1.3a , C4.2 , C4.5a , C11.3a) CDP Water Security Response (W1.2 , W7.4 , W8.1)
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Scope 1 — 6,206,603 (metric tons CO ₂ e) Scope 2, location-based — 736,120 (metric tons CO ₂ e) Scope 2, market-based - 746,240 (metric tons CO ₂ e) Scope 3 (upstream*) — 10,659,550 (metric tons CO ₂ e)	CDP Climate Change Response (C5.1 , C5.2 , C6.1 , C6.2-C6.3 , C6.5 , C6.10 , C7.1 , C7.1a)
	c. Describe the targets used by Eastman to manage climate-related risks and opportunities and performance against targets.	Targets: Eastman is committed to reducing absolute greenhouse gas emissions Scope 1 and Scope 2 by one-third by 2030 and aspires to be carbon neutral by 2050 from a baseline year of 2017. The boundary of Eastman's Scope 1 and Scope 2 emissions are manufacturing sites where we have a controlling interest. Scope 1 and Scope 2 emissions have decreased by 4.0% compared to 2021 and have decreased by 13.8% compared the baseline year of 2017.	CDP Climate Change Response (C4.1 , C4.1a , C4.2 , C4.2c) CDP Water Security Response (W8.1) Sustainability Report 2022 p.27

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

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