



TOPICS COVERED

// *Advice & Strategy*

Managing Resources to Create Value: Culture and Leadership Matter

Eastman is approaching its 100th year of doing business. During that time, we have developed a culture of responsible resource stewardship. Our environmental commitments are consistent with the company's dedication to maintaining an excellent environmental compliance record and operating as a responsible corporate neighbor. Whether managing our energy-intensive operations, protecting the quality of our air and water, or working to reduce waste, the Eastman team is focused on developing, identifying and investing in new technologies and work practices. We work hard to instill and maintain a culture of continually looking to minimize our environmental footprint by conserving natural resources, inventing more efficient production methods, and developing chemistries that use renewable raw materials. Being a responsible steward of resources also means ensuring our workplaces and operations are safe, our hiring and promotion practices are diverse and inclusive, and that we act ethically and responsibly in all of our business dealings.

This culture did not develop overnight. Rather, it's a consequence of a very deliberate, relentless articulation of who our company is and what we stand for. Such a responsible culture can only be driven by proper "tone at the top." We proactively share this vision among our Eastman Team members as well as committing to hold ourselves accountable. We look for the right cultural commitment in our hiring, training, and promotion.

One example of driving this culture is our sponsorship of the largest environmental conference in the state of Tennessee. The conference is held in the city where our headquarters and one of the largest, integrated chemical facilities in the country is located. Public officials and regulators from the United States Environmental Protection Agency, as well as State and local agencies, attend and speak at this annual conference along with industry and community representatives. This event has proven to be an immensely valuable forum to generate and share ideas and best practices as well as develop a network of resources and colleagues. Furthermore, it's a public statement of what we stand for.

THE THREE PILLARS

David Golden on the Framework for Driving Sustainability

Written by David A. Golden

A sustainable company creates significantly more value in the world than the resources it consumes. With this basic "equation", one framework to use when driving sustainability within a company is to focus on three pillars: (1) reducing resource consumption/increasing resource efficiency; (2) maximizing the value of the company's product or service offering; and (3) creating social value with the company's profits, employees, and influence. Doing this in a clear and concrete way that aligns with the company's overarching strategy engages and motivates employees and drives success at the triple bottom line.



Our culture has resulted in a myriad of recognitions for Eastman including being named an ENERGY STAR® Partner five years in a row by the United States Environmental Protection Agency and ENERGY STAR® Partner--Sustained Excellence three years in a row. Both of these accomplishments are a record in our industry. We have also been named one of the *World's Most Ethical Companies*® three years in a row and were recently honored by AIChE for Advancing Excellence in Process Safety. Additionally, Eastman has been recognized as one of the Glassdoor Best Places to Work for the last three years.

Creating Value Through Collaboration-Driven Innovation

Truly innovative companies understand the needs, drivers and behaviors across the value chain, including the needs of the *end consumer*. We're monitoring for changing trends and associated demand effects while also using our insights to drive change with our customers, suppliers, downstream retailers, and consumers. Making deliberate choices to invest in the right things, at the right time, with the right partners, yields focus and dramatic results.

The Eastman Innovation Lab (EIL) is a good example of this paradigm. Fifteen years ago, we launched the EIL to better connect with industrial designers. Fostering relationships and encouraging collab-

oration between designers and a material supplier was unheard of in our industry. Making these connections across the value chain led to better-informed material selection and ultimately empowered Eastman's business partners to find ways to incorporate sustainable materials very early on in the design process. Consistent collaboration helps Eastman and our partners design products that are not only functional but are often recyclable, durable and waste reducing. It also helps our partners understand how our materials can be used to enhance the quality of life of downstream customers by improving safety and decreasing their environmental footprint. This process helps enable alignment with consumers' increasing desire for responsible, sustainable products.

Making Connections to Increase Social Value

The profits, employees, and influence of a sustainable company can be powerful forces for good. Eastman focuses our corporate responsibility efforts on empowerment, education, environment, and economic development. The more of these "Four Es" connected to a project, the higher priority for support. We bias our corporate responsibility initiatives toward projects that have the potential to be transformative. With those projects, we often play a catalytic role. We look to maximize collective impact by collab-

rating and engaging with partners, both public and private, whose strategic focus empowers positive change for our world.

A good example of this concept is our ongoing partnership with the Woods Hole Oceanographic Institution (WHOI). Because the ocean is so fundamental to the health of the planet, and the blue economy a critical part of the world's future, Eastman is supporting WHOI on a variety of projects. One project involves a transformative way to gather data in the Gulf Stream, which historically is surprisingly void of continuous monitors.

Parting Thoughts

Embedding sustainability in corporate strategy requires an engaged leadership team that is committed to setting and achieving goals that drive change and create value. Eastman has an active Sustainability Council, which I chair, consisting of senior executives representing a cross-section of the organization. The Council provides direction on the company's sustainability strategy, leveraging sustainability as a key driver of innovation and growth. The Council not only ensures collaboration, communication, and motivation, both internally and externally with key partners and stakeholders, but also provides governance and prioritization of issues and goals. A clear and crisp sustainability vision can be a valuable reference point for a company as well as a way to illuminate the value of sustainability. Do not fear setting a vision because you feel you might never achieve it. As you set it and awake to the possibilities, you will reach beyond your previous grasp. As Thoreau said, "Only that day dawns to which we are awake. There is more day to dawn."



Expert Biography

David A. Golden is Senior Vice President, Chief Legal & Sustainability Officer, and Corporate Secretary for Eastman Chemical Company. Golden has overall responsibility for Eastman's Legal, Corporate HSES, Product Safety & Regulatory Affairs, Sustainability, Government Relations, Community Affairs, and Public Policy functions, which has personnel in the United States, Europe, Asia and Latin America. He also has overall responsibility for Eastman's Global Business Conduct and International Trade Compliance programs. Immediately prior to this position, he was Vice President, Associate General Counsel, and Corporate Secretary with overall responsibility for Eastman's Legal Department.