UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______________ to ______________

Commission file number 1-12626

EASTMAN CHEMICAL COMPANY
(Exact name of registrant as specified in its charter)

Delaware	**62-1539359**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
200 South Wilcox Drive	
Kingsport Tennessee	**37662**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(423) 229-2000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	**EMN**	**New York Stock Exchange**
1.875% Notes Due 2026	**EMN26**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

	Yes	No
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	☒	☐

	Yes	No
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.	☐	☒

	Yes	No
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	☒	☐

	Yes	No
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).	☒	☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

	Yes	No
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).	☐	☒

The aggregate market value (based upon the $97.97 closing price on the New York Stock Exchange on June 28, 2024) of the 114,432,187 shares of common equity held by non-affiliates as of December 31, 2024 was $11,210,921,360 using beneficial ownership rules adopted pursuant to Section 13 of the Securities Exchange Act of 1934 to exclude common stock that may be deemed beneficially owned as of December 31, 2024 by Eastman Chemical Company's directors and executive officers and charitable foundation, some of whom might not be held to be affiliates upon judicial determination. A total of 115,168,382 shares of common stock of the registrant were outstanding at December 31, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2025 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission, are incorporated by reference in Part III, Items 10 to 14 of this Annual Report on Form 10-K (this "Annual Report") as indicated herein.

FORWARD-LOOKING STATEMENTS

Certain statements made or incorporated by reference in this Annual Report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act (Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). Forward-looking statements are all statements, other than statements of historical fact, that may be made by Eastman Chemical Company ("Eastman" or the "Company") from time to time. In some cases, you can identify forward-looking statements by terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "forecasts", "will", "would", "could", and similar expressions, or expressions of the negative of these terms. Forward-looking statements may relate to, among other things, such matters as planned and expected capacity increases and utilization; anticipated capital spending; expected depreciation and amortization; environmental matters and opportunities (including potential risks associated with physical and transitional impacts of climate change and related voluntary and regulatory carbon requirements); exposure to and effects of hedging raw material and energy prices and costs and foreign currencies exchange and interest rates; disruption or interruption of operations and of raw material or energy supply (including as a result of cyber-attacks or other breaches of the Company's information security systems); global and regional economic, political, and business conditions, including heightened inflation, capital market volatility, interest rate and currency fluctuations, and economic slowdown or recession; competition; growth opportunities; supply and demand, volume, price, cost, margin and sales; pending and future legal proceedings; earnings, cash flow, dividends, stock repurchases and other expected financial results, events, decisions, and conditions; expectations, strategies, and plans for individual assets and products, businesses, and operating segments, as well as for the whole of Eastman; cash sources and requirements and uses of available cash; financing plans and activities; pension expenses and funding; credit ratings; anticipated and other future restructuring, acquisition, divestiture, and consolidation activities; cost reduction and control efforts and targets; the timing and costs of, benefits from the integration of, and expected business and financial performance of acquired businesses, as well as the subsequent impairment assessments of acquired long-lived assets; strategic, technology, and product innovation initiatives and development, production, commercialization and acceptance of new products, services and technologies and related costs; asset, business, and product portfolio changes; and expected tax rates and interest costs.

Forward-looking statements are based upon certain underlying assumptions as of the date such statements were made. Such assumptions are based upon internal estimates and other analyses of current market conditions and trends, management expectations, plans, and strategies, economic conditions, and other factors. Forward-looking statements and the assumptions underlying them are necessarily subject to risks and uncertainties inherent in projecting future conditions and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions and expectations proves to be inaccurate or is unrealized. The known material factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements are identified and discussed under "Risk Factors" in Part I, Item 1A of this Annual Report. Other factors, risks, or uncertainties of which management is not aware, or presently deems immaterial, could also cause actual results to differ materially from those in the forward-looking statements.

The Company cautions you not to place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report. Except as may be required by law, the Company undertakes no obligation to update or alter these forward-looking statements, whether as a result of new information, future events, or otherwise. Investors are advised, however, to consult any further public Company disclosures (such as filings with the Securities and Exchange Commission, Company press releases, or pre-noticed public investor presentations) on related subjects.

TABLE OF CONTENTS

PART I

ITEM 1. BUSINESS

CORPORATE OVERVIEW

Eastman Chemical Company ("Eastman" or the "Company") is a global specialty materials company that produces a broad range of products found in items people use every day. Eastman began business in 1920 for the purpose of producing chemicals for Eastman Kodak Company's photographic business and became a public company, incorporated in Delaware, on December 31, 1993. Eastman has 36 manufacturing facilities and has equity interests in three manufacturing joint ventures in 12 countries that supply products to customers throughout the world. See "Properties" in Part I, Item 2 of this Annual Report on Form 10-K (this "Annual Report"). The Company's headquarters and largest manufacturing facility are located in Kingsport, Tennessee. With a robust portfolio of specialty businesses, Eastman works with customers to deliver innovative products and solutions with a commitment to safety and sustainability. Eastman's businesses are managed and reported in four operating segments: Advanced Materials ("AM"), Additives & Functional Products ("AFP"), Chemical Intermediates ("CI"), and Fibers. See "Business Segments".

In the first years as a stand-alone company, Eastman was diversified between commodity and more specialty chemical businesses. Beginning in 2004, the Company refocused its strategy and changed its businesses and portfolio of products, first by the divestiture and discontinuance of under-performing assets and commodity businesses and initiatives (including divestiture in 2004 of resins, inks, and monomers product lines, divestiture in 2006 of the polyethylene business, and divestiture from 2007 to 2010 of the polyethylene terephthalate ("PET") assets and business). The Company then pursued growth through the development and acquisition of more specialty businesses and product lines by inorganic acquisition and integration (including acquisitions of Solutia, Inc., a global leader in performance materials and specialty chemicals in 2012, and Taminco Corporation, a global specialty chemical company in 2014) and organic development and commercialization of new and enhanced technologies and products.

Eastman uses an innovation-driven growth model which consists of leveraging world class scalable technology platforms, delivering differentiated application development capabilities, and relentlessly engaging the market. The Company's world class technology platforms, scale advantage, and sustainability macrotrends form the foundation of the Company's research and development ("R&D") and innovation initiatives. Molecular recycling technologies continue to be an area of investment focus for the Company and extend the level of differentiation afforded by its world class technology platforms. Eastman began operating one of the world's largest molecular recycling facilities in 2024. Differentiated application development converts market complexity into opportunities for growth and accelerates innovation by enabling a deeper understanding of the value of Eastman's products and how they perform within customers' and end-users' products. Key areas of application development include thermoplastic conversion, functional films, coatings formulations, textiles, and personal and home care formulations. The Company engages the market by working directly with customers and downstream users, targeting attractive niche markets, and leveraging disruptive macro trends. Management believes that these elements of the Company's innovation-driven growth model, combined with disciplined portfolio management and balanced capital deployment, are transforming Eastman into a global specialty materials company that enhances the quality of life in a material way. The Company's impact is evidenced by recycling technology that allows for waste to be used as building blocks in several Eastman products, branded with "Renew". As a global specialty materials company, management continuously evaluates the Company's business and operations to improve cost structure, increase investment in growth, and strengthen execution capabilities, including specific initiatives to transform operations, work processes and systems, and business structure alignment, scale, and integration.

In 2024, the Company reported sales revenue of $9.4 billion, earnings before interest and taxes ("EBIT") of $1.3 billion, and net earnings attributable to Eastman of $905 million. Diluted earnings per share were $7.67. Net cash provided by operating activities was $1.3 billion. Excluding non-core and unusual items, adjusted EBIT was $1.3 billion and adjusted diluted earnings per share were $7.89. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of this Annual Report for a reconciliation of financial measures under accounting principles generally accepted in the United States ("GAAP") to non-GAAP financial measures, description of excluded items, and related information. For Company sales revenue by end-use market, see Exhibit 99.01 "2024 Company and Segment Sales Revenue by End-Use Market" of this Annual Report. Approximately 60 percent of 2024 sales revenue was generated from outside the United States and Canada region. For additional information regarding sales by customer location and by segment, see Note 20, "Segment and Regional Sales Information", to the Company's consolidated financial statements in Part II, Item 8, and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Summary by Operating Segment", and "Sales by Customer Location" in Part II, Item 7 of this Annual Report.

BUSINESS STRATEGY

Eastman's objective is to be a global specialty materials company that enhances the quality of life in a material way with consistent, sustainable earnings growth and strong cash flow. Integral to the Company's strategy for growth is leveraging its heritage expertise and innovation within its cellulosic biopolymer and acetyl, olefins, polyester, and alkylamine chemistries. For each of these "streams", the Company has developed and acquired a combination of assets and technologies that combine scale and integration across multiple manufacturing units and sites as a competitive advantage. Management uses an innovation-driven growth model which consists of leveraging world class scalable technology platforms, delivering differentiated application development, and relentlessly engaging the market. The Company sells differentiated products into diverse markets and geographic regions and engages the market by collaborating and co-innovating with customers and downstream users in existing and new niche markets to creatively solve problems. Management believes that this innovation-driven growth model will enable the Company to leverage its proven technology capabilities to improve product mix, increasing emphasis on specialty businesses, and sustaining and expanding market share through leadership in attractive niche markets.

Innovation

Management is pursuing specific opportunities to leverage Eastman's innovation-driven growth model with the goal of greater than end-market growth by both sustaining the Company's leadership in existing markets and expanding into new markets. Recently developed, introduced, or commercialized innovation products, applications, and technologies include the following:

- Molecular recycling technologies, including carbon renewal technology and polyester renewal technology, which are being used for production and commercial sales of multiple products, described below under "Sustainability and Circular Economy";
- Eastman Tritan™ Renew copolyester based on polyester renewal technology which transforms single-use polyester waste into basic building blocks that are then used to make durable, high performance materials;
- Naia™, a biodegradable and compostable cellulosic biopolymer fiber product for the apparel market developed from proprietary cellulosic materials that are approximately 60 percent biopolymer derived, and Naia™ Renew, approximately 60 percent biopolymer and 40 percent waste plastics derived;
- Aventa™, a biodegradable and compostable cellulosic biopolymer that is approximately 60 percent bio-content derived, and Aventa™ Renew, approximately 60 percent bio-derived and 40 percent recycled plastic derived, both used in food service and food packaging applications. Aventa™ is both home and industrially compostable and does not persist in the environment as a microplastic;
- Esmeri™, a cellulosic biopolymer for personal care applications including color cosmetics, sunscreens, and facial lotions;
- Solus™, a biodegradable paper coating additive that enhances the end of life of packaging used in food service;
- Saflex™ innovations in both the automotive and building and construction markets including: Saflex™ Horizon Vision, a next generation polyvinyl butyral ("PVB") interlayer product, for advanced Head-up Displays ("HUD") systems, enhancing virtual image and field of view; Saflex™ Evoca, a new platform for electrical vehicle glazing, offering acoustic, solar, or color options to design; and Saflex™ LiteCarbon Clear, a premium PVB interlayer that reduces the embodied carbon of laminated glass elements while maintaining the construction of safe buildings; and
- Performance films innovations in automotive and architectural window films and paint protection films and expanded adoption of Eastman CORE™, a software platform that provides automotive dealership groups and professional installers access to shop management and automotive film patterns to improve installation quality and customer experience.

Sustainability and Circular Economy

Central to Eastman's innovation-driven growth model is management's dedication to enhance the quality of life in a material way with an ongoing commitment to sustainability.

The Company's long history of technical expertise in chemical processes and polymer science positions it to provide innovative solutions to some of the world's most complex problems. One example is Eastman's contribution to the development of a more "circular economy". A circular economy focuses on making the most of the world's resources - minimizing waste and maximizing value - by providing end-of-life solutions to reduce, reuse, and recycle products and materials. This keeps materials in use and decouples growth from scarce resource consumption, while allowing economic development and improvement in quality of life. The Company's sustainable innovation initiatives include biodegradation, molecular recycling, and strategic collaborations with end-user markets. The Company continues the use of its unique platform of solutions to address the challenges of plastic waste in the environment with advanced circular recycling, or molecular recycling, including carbon renewal and polyester renewal technologies. Together, these technologies allow the Company to use plastic waste, such as polyester carpet and waste rejected from mechanical recyclers, colored strapping, and bottles, as feedstock to lower greenhouse gas ("GHG") emissions compared to traditional processes. Eastman's scale and integration provide a unique opportunity to accelerate the use of these molecular recycling technologies and make a meaningful positive impact on the environment.

Management approaches sustainability as a source of competitive strength by focusing its innovation strategy on opportunities where disruptive macro trends align with the Company's differentiated technology platforms. Applications development capabilities are used to develop innovative products, applications, and technologies that enable customers' development and sale of sustainable products. Eastman's sustainability-related growth initiatives include targeted product and process innovation that focuses on enhancing product health and safety, end-use product durability, recyclability, and reducing material usage, while lowering GHG emissions associated with climate change. Eastman has focused on communication and collaboration with stakeholders, including policymakers and other interested parties, to build support for the concepts of molecular recycling and mass balance accounting (an accepted and certified protocol by International Sustainability & Carbon Certification ("ISCC") that documents and tracks recycled content through complex manufacturing systems). Eastman has committed to reduce its absolute scope 1 (direct GHG emissions occurring from sources that are owned by Eastman) and scope 2 (indirect GHG associated with the purchase of electricity, steam, heat, or cooling as a result of Eastman's energy use) emissions by approximately one-third by 2030, measured from the Company's 2017 baseline year, in order to achieve carbon neutrality by 2050, and to innovate to provide products that enable energy savings and GHG emissions reductions to customers and end-users.

Eastman focuses on the triple challenge of climate change, plastic waste, and a growing population through its aligned innovation pillars of Circularity, Caring for Society, and Climate. Examples of Eastman sustainable solutions within identified disruptive macro trends include:

	Innovation Pillar		
Growth Platform by Segment	**Circularity**	**Caring For Society**	**Climate**
Advanced Materials			
Specialty Plastics Circular Economy (Eastman Renew)	x	x	x
Next-Generation Copolyester Innovation	x	x	
Saflex™ Evoca™ for Electric Vehicles (1)		x	x
Window and Paint Protection Films			x
Additives & Functional Products			
Tetrashield™ Protective Resin Systems (2)		x	
Esmeri™ Personal Care Micropowder Ingredient (3)	x		x
Fibers			
Naia™ Filament Growth	x		x
Other			
Aventa™ Compostable Materials (4)	x	x	x

(1) Saflex™ Evoca™ interlayers improves acoustic performance, provides lightweight alternatives for windshields, and helps mitigate solar heat to increase maximum driving range and reduce strain on air conditioning systems in electric vehicles.

(2) Tetrashield™ performance polyester resins, based on proprietary monomer technology, have improved health, safety, and performance features for food and beverage packaging and industrial powder coatings.

(3) Esmeri™ is a cellulosic biopolymer for personal care applications including color cosmetics, sunscreens, and facial lotions.

(4) Aventa™, a biodegradable and compostable cellulosic biopolymer, replaces single-use, traditional materials in food packaging and quick-service restaurants such as straws, cutlery, and protein trays.

Eastman is positioned to enhance the quality of life in a material way with its sustainable solutions. The Company's expertise and scalability within the Circular Economy platform allows true material to material recycling with an infinite loop and no compromise to quality. The Company's technologies create drop-in replacements for existing products by breaking down hard-to-recycle plastic waste feedstock to a molecular level and upcycling it back to food-grade products. This platform is further differentiated as it is able to reduce GHG emissions by up to 90 percent, including avoided emissions, when comparing to materials made from fossil feedstocks.

These strengths have enabled the Company to achieve significant milestones in 2024 within the Circular Economy platform, including:

- Operating one of the world's largest molecular recycling facilities;
- Serving its customers with "Renew" branded polyester products, enabling them to meet their sustainability goals; and
- Being selected by the U.S. Department of Energy for up to a $375 million supporting investment to build a world scale Methanolysis facility in Longview, Texas.

FINANCIAL STRATEGY

In its management of the Company's businesses and growth initiatives, management is committed to maintaining a strong financial position with appropriate financial flexibility and liquidity. Management believes maintaining a financial profile that supports a solid investment grade credit rating is important to its long-term strategy and financial flexibility. The Company employs a disciplined and balanced approach to capital allocation and deployment of cash. The priorities for uses of available cash include paying the quarterly dividend, funding targeted growth opportunities, repurchasing shares, and acquiring bolt-on acquisitions. Management expects that the combination of continued stable cash flow generation, a strong balance sheet, and sufficient liquidity will continue to provide flexibility to pursue growth initiatives.

BUSINESS SEGMENTS

The Company's products and operations are managed and reported in four operating segments: Advanced Materials ("AM"), Additives & Functional Products ("AFP"), Chemical Intermediates ("CI"), and Fibers. This organizational structure is based on the management of the strategies, operating models, and sales channels that the various businesses employ and supports the Company's continued transformation towards a global specialty materials company.

For segment sales revenue and earnings and segment product lines revenues, see Note 20, "Segment and Regional Sales Information", to the Company's consolidated financial statements in Part II, Item 8 and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Summary by Operating Segment" in Part II, Item 7 of this Annual Report. For identification of manufacturing facilities by segment, see Item 2, "Properties" of this Annual Report.

ADVANCED MATERIALS SEGMENT

Overview

In the AM segment, the Company produces and markets polymers, films, and plastics with differentiated performance properties for value-added end-uses in transportation; durables and electronics; building and construction; medical and pharma; and consumables end-markets. Key technology platforms for this segment include cellulosic biopolymers, copolyesters, and PVB and polyester films.

Eastman's technical, application development, and market development capabilities enable the AM segment to modify its polymers, films, and plastics to control and customize their final properties for the development of new applications with enhanced functionality. For example, Tritan™ copolyesters are a leading solution for food contact applications due to their performance and processing attributes and bisphenol A free ("BPA free") properties. The Saflex™ Q Series product line is a leading acoustic solution for architectural and automotive applications. The Company also maintains a leading solar control technology position in the window films market as well as advanced urethane film and coatings technologies in the paint protection film market. The segment principally competes on differentiated technology and application development capabilities. Management believes the AM segment's competitive advantages also include long-term customer relationships, vertical integration and scale in manufacturing, and leading market positions.

Principal Products

Product	Description	Principal Competitors	Key Raw Materials	End-Use Applications
Advanced Interlayers				
Saflex™ Saflex™ Q Series Saflex™ HUD interlayer products	standard PVB sheet premium PVB sheet	Sekisui Chemical Co., Ltd. Kuraray Co., Ltd. Kingboard (Fo Gang) Specialty Resins Limited Chang Chun Petrochemical Co., Ltd.	polyvinyl alcohol butyraldehyde 2-ethyl hexanol ethanol triethylene glycol vinyl acetate monomer	transportation (automotive safety glass, automotive acoustic glass, and HUD) building and construction (PVB for architectural interlayers)
Performance Films				
LLumar™ Flexvue™ SunTek™ V-KOOL™ Gila™	window films and protective films products for aftermarket applied films	XPEL, Inc. 3M Company Saint-Gobain S.A.	polyethylene terephthalate film aliphatic thermoplastic polyurethane film	transportation (automotive after-market window films and paint protection films) building and construction (residential and commercial window films) health and wellness (medical)
Specialty Plastics				
Tritan™ copolyesters Eastar™ copolyesters Spectar™ copolyesters Embrace™ copolyesters Visualize™ Eastman Aspira™ family of resins Treva™	standard copolyesters premium copolyesters cellulosic biopolymers molecular-recycled copolyesters	S.K. Chemical Industries Sichuan Push Acetati Company Limited Daicel Chemical Industries Ltd. Covestro AG Trinseo S.A. Saudi Basic Industries Corporation	paraxylene ethylene glycol cellulose purified terephthalic acid waste plastics and textiles	consumables (consumer packaging, cosmetics packaging, in-store fixtures and displays) durable goods (consumer housewares and appliances) health and wellness (medical) electronics (displays)

See Exhibit 99.01 for AM segment revenue by end-use market.

Strategy

Management applies Eastman's innovation-driven growth model in the AM segment by leveraging innovation and technology platforms to develop new and multi-generational products and applications to help facilitate AM segment growth and leverage its manufacturing capacity. The AM segment is positioned to benefit from Eastman polyesters and acetyl streams sustainability innovations by leveraging molecular recycling technologies to enable various waste plastics to be recycled into specialty plastics products marketed and sold under the "Renew" product designations. See "Corporate Overview - Business Strategy - Sustainability and Circular Economy". The segment continues to expand its portfolio of higher margin products in attractive end-markets. Through Eastman's advantaged asset position and expertise in applications development, management believes that the AM segment is well positioned for future growth. The advanced interlayers product lines, including acoustic and HUD sheet interlayer products, leverage Eastman's global presence to supply industry leading innovations to automotive and architectural end-markets by collaborating with global and large regional customers. In the performance films product lines, management believes it has one of the largest distribution and dealer networks which, when combined with its industry leading technologies and recognized brands, positions Eastman for further growth, particularly in leading automotive markets such as North America and Asia. The segment's product portfolio is aligned with underlying energy efficiency trends in both automotive and architectural markets.

The AM segment expects to continue to improve its product mix from increased sales of premium products, including Tritan™ copolyester, Tritan™ Renew, Visualize™ material, Saflex™ Q acoustic series, Saflex™ HUD interlayer products, LLumar™, V-KOOL™, and SunTek™ window and protective films.

In 2024, the AM segment:

- achieved key milestones within the Circular Economy platform (see "Corporate Overview - Business Strategy - Sustainability and Circular Economy - Circularity");

- continued adoption of polyester renewal technology for products, including Tritan™ Renew, Cristal™ Renew, and Cristal™ One Renew across several end-markets, including cosmetic packaging, eyewear, and power tools;
- continued to expand portfolio of differentiated post-applied window films and protective films for automotive and architectural applications, including LLumar™ Protective Wrap Film which integrates the look of car wraps with the resilience of paint protection film, helping elevate vehicle protection; and
- launched Saflex™ LiteCarbon Clear, a premium polyvinyl butyral interlayer that reduces the embodied carbon of laminated glass elements while maintaining the construction of safe buildings, and Saflex Evoca™, a new platform designed to upgrade the glazing potential in electric vehicles that offers acoustic, solar or color options to assist in electric vehicle design.

ADDITIVES & FUNCTIONAL PRODUCTS SEGMENT

Overview

In the AFP segment, the Company manufactures materials for products in the food, feed, and agriculture; transportation; water treatment and energy; personal care and wellness; building and construction; consumables; and durables and electronics end-markets. Key technology platforms are cellulosic biopolymers, polyester polymers, alkylamine derivatives, and propylene derivatives.

The AFP segment is focused on producing high-value additives that provide critical functionality but which comprise a small percentage of total customer product cost. The segment principally competes on the differentiated performance characteristics of its products and through leveraging its strong customer base and long-standing customer relationships to promote substantial recurring business and product development. A critical element of the AFP segment's success is its close formulation collaboration with customers through advantaged application development capability.

Principal Products

Product	Description	Principal Competitors	Key Raw Materials	End-Use Applications
Care Additives				
Alkylamine derivatives Organic acids and derivatives Cellulosic biopolymers	amine derivative-based building blocks for production of flocculants intermediates for surfactants metam-based soil fumigants organic acid-based solutions	BASF SE Huntsman Corporation Corteva, Inc. Argo-Kanesho Co., Ltd. Bayer AG Adisseo	alkylamines acrylonitrile alcohols methanol ethylene oxide carbon disulfide ("CS2") caustic soda	water treatment personal and home care pharmaceuticals agriculture and crop protection gut health solutions preservation and hygiene
Coatings Additives				
Polymers cellulosics Tetrashield™ polyesters polyolefins Additives and Solvents Texanol™ Optifilm™ ketones esters EastaPure™ electronic chemicals	specialty coalescents, specialty solvents, paint additives and specialty polymers	BASF SE Dow Inc. OQ Chemicals Celanese Corporation Alternative Technologies	wood pulp propane propylene	building and construction (architectural coatings) transportation (OEM) and refinish coatings durable goods (wood, industrial coatings and applications) consumables (graphic arts, inks, and packaging) electronics
Functional Amines				
Alkylamines	methylamines and salts higher amines and solvents	BASF SE Arclin Inc. US Amines Limited OQ Chemicals	methanol ammonia acetone ethanol butanol	agrochemicals energy consumables water treatment industrial intermediates
Specialty Fluids & Energy				
Therminol™ Turbo oils Skydrol™ SkyKleen™ Marlotherm™	heat transfer and aviation fluids	Dow Inc. Exxon Mobil Corporation	benzene phosphorous neo-polyol esters	industrial chemicals and processing (heat transfer fluids for chemical processes) renewable energy commercial aviation

See Exhibit 99.01 for AFP segment revenue by end-use market.

Strategy

Management applies Eastman's innovation-driven growth model in the AFP segment by leveraging proprietary technologies for the continued development of innovative product offerings and focusing growth efforts in end-markets such as food, feed, and agriculture; transportation; water treatment and energy; personal care and wellness; building and construction; consumables; and durables and electronics. Management believes that the ability to leverage the AFP segment's research, differentiated application development, and production capabilities across multiple markets uniquely positions it to meet evolving needs to improve the quality and performance of its customers' products. For example, Eastman BPA-NI Tetrashield™ protective resins enable metal packaging coatings formulation with a unique balance of durability and flexibility, improving performance, regulatory compliance, shelf life, and consumer safety. Such protective resins can also be used in protective coatings, industrial coatings, and automotive coatings. The Company is also developing solutions to address the environmental challenges caused by non-biodegradable microplastics in personal care products by leveraging its world-class biodegradable cellulosic biopolymer technology platform in biodegradable micropowders for personal care applications.

In 2024, the AFP segment:

- launched electronic grade isopropyl alcohol ("IPA"), the latest addition to the EastaPure™ electronic chemicals line, that offers U.S. semiconductor manufacturers a domestically made solvent as reliable in quality as it is in supply;
- introduced Eastman Esmeri™, a biodegradable cellulosic biopolymer non-persistence personal care ingredient delivering consumer expectations with enhanced performance and ecofriendly benefits;
- introduced Solus™, a biodegradable paper coating additive that enhances the end of life of packaging in food service, by co-creating a flexible, food-safe packaging solution with a specialty papers producer; and
- invested in manufacturing capabilities in Europe, Middle East, and Africa and Asia Pacific regions to support market growth for pharmaceutical applications and wastewater treatment market growth, respectively.

CHEMICAL INTERMEDIATES SEGMENT

Overview

Eastman leverages large scale and vertical integration from the cellulosic biopolymers and acetyl and olefins streams to support the Company's specialty operating segments with advantaged cost positions. The CI segment sells excess intermediates beyond the Company's internal specialty needs into end-markets such as industrial chemicals and processing, building and construction, health and wellness, and food and feed. Key technology platforms include acetyls, oxos, and plasticizers.

The CI segment product lines benefit from competitive cost positions primarily resulting from the use of and access to lower cost raw materials, and the Company's scale, technology, and operational excellence. Examples include produced acetic anhydride used in the manufacturing of cellulosic biopolymers and acetyl stream product lines, propylene and ethylene used in the production of olefin derivative product lines such as oxo alcohols and plasticizers. The CI segment also provides superior reliability to customers through its backward integration into readily available raw materials, such as propane, ethane, and propylene. See "Eastman Chemical Company General Information - Manufacturing Streams".

Several CI segment product lines are affected by cyclicality, most notably olefin and acetyl-based products. This cyclicality is caused by periods of supply and demand imbalance, when either incremental capacity additions are not offset by corresponding increases in demand, or when demand exceeds existing supply. Management has recently taken steps to reduce the impact of the trough of these cycles, including the use of refinery-grade propylene ("RGP") in the feedstock mix, resulting in reduced participation in the merchant ethylene market and the divestiture of its Texas City Operations in 2023. Future results are expected to fluctuate due to both general economic conditions and industry supply and demand.

Principal Products

Product	Description	Principal Competitors	Key Raw Materials	End-Use Applications
Intermediates				
Oxo alcohols and derivatives Acetic acid and derivatives Acetic anhydride Ethylene Glycol ethers Esters Organic acids and derivatives	Olefin derivatives, acetyl derivatives, ethylene, commodity solvents	Lyondell Bassell, BASF SE Dow Inc. OQ Chemicals Celanese Corporation Lonza Ineos Group Holdings S.A	propane ethane propylene coal natural gas paraxylene	industrial chemicals and processing building and construction (paint and coating applications, construction chemicals, building materials) pharmaceuticals and agriculture health and wellness packaging
Plasticizers				
Eastman 168™ Dioctyl phthalate ("DOP") Benzoflex™ TXIB™ Effusion™	primary non-phthalate and phthalate plasticizers and a range of niche non-phthalate plasticizers	BASF SE Exxon Mobil Corporation LG Chem, Ltd. Lanxess AG	propane propylene paraxylene	building and construction (non-phthalate plasticizers used in interior surfaces) consumables (food packaging, packaging adhesives, and glove applications) health and wellness (medical devices)

See Exhibit 99.01 for CI segment revenue by end-use market.

Strategy

To maintain and enhance its status as a low-cost producer and optimize earnings, the CI segment continuously focuses on cost control, operational efficiency, and capacity utilization. This includes focusing on products used internally by other operating segments, thereby supporting growth in specialty product lines throughout the Company, and also external licensing opportunities. Through the CI segment, the Company has leveraged the advantage of its highly integrated manufacturing facilities. Scale at the Kingsport, Tennessee manufacturing facility allows for competitive advantage in the production of acetic anhydride and other acetyl derivatives. At the Longview, Texas manufacturing site, Eastman uses its proprietary oxo technology in one of the world's largest single-site oxo butyraldehyde manufacturing facilities to produce a wide range of alcohols and other derivative products utilizing local propane and ethane supplies and purchased propylene. These integrated facilities, combined with large scale production processes and a continuous focus on additional process improvements, allow the CI segment product lines to remain cost competitive and, for some products, cost-advantaged as compared to competitors. Use of RGP in the feedstock mix of the olefin cracking units at the Longview, Texas manufacturing site reduces the amount of other purchased feedstocks. This results in a decrease in ethylene production and excess ethylene sales while maintaining historical levels of propylene production, providing flexibility to reduce participation in the merchant ethylene market, and retaining a cost-advantaged integrated propylene position to support specialty derivatives throughout the Company.

FIBERS SEGMENT

Overview

In the Fibers segment, Eastman manufactures and sells acetate tow and triacetin plasticizers for use in filtration media, primarily cigarette filters; cellulosic filament yarn and staple fibers for use in apparel under the brand Naia™, home furnishings, and industrial fabrics; nonwoven media for use in filtration and friction applications, used primarily in transportation, industrial, and agricultural end-markets; and cellulose acetate flake and acetyl raw materials for other acetate fiber producers.

The Fibers segment's competitive strengths include a reputation for high-quality products, technical expertise, large scale vertically-integrated processes, reliability of supply, internally produced acetate flake supply for Fibers segment's products, a reputation for customer service excellence, and a customer base characterized by strategic long-term customers and end-user relationships. The Company continues to capitalize and build on these strengths to further improve the strategic position of its Fibers segment. To strengthen and stabilize segment earnings, the Company has taken actions such as the establishment of long-term variable pricing in acetate tow customer arrangements and agreements, development of innovative textile and nonwoven applications, and repurposing manufacturing capacity from acetate tow to new products.

The 10 largest Fibers segment customers accounted for approximately 60 percent of the segment's 2024 sales revenue, and include multinational as well as regional cigarette producers, fabric manufacturers, and other acetate fiber producers.

The Company's long history and experience in fibers markets are reflected in the Fibers segment's operating expertise, both within the Company and in support of its customers' processes. The Fibers segment's knowledge of the industry and of customers' processes allows it to assist its customers in maximizing their processing efficiencies, promoting repeat sales, and developing mutually beneficial, long-term customer relationships.

The Company's fully integrated fibers manufacturing process employs unique technology that allows it to use a broad range of high-purity wood pulps for which the Company has dependable sources of supply.

Principal Products

Product	Description	Principal Competitors	Key Raw Materials	End-Use Applications
Acetate Tow				
Estron™	cellulose acetate tow	Celanese Corporation Cerdia International Daicel Corporation Jinan Acetate Chemical	wood pulp methanol high sulfur coal	filtration media (primarily cigarette filters)
Acetate Yarn and Fiber				
Naia™ Estron™	natural (undyed) acetate yarn solution dyed acetate yarn staple fiber	UAB Dirbtinis Pluostas Lenzing AG Aditya Birla Group	wood pulp methanol high sulfur coal waste plastics and textiles	consumables (apparel, home furnishings, and industrial fabrics) health and wellness (medical tape)
Acetyl Chemical Products				
Estrobond™	triacetin cellulose acetate flake acetic acid acetic anhydride	Daicel Corporation Celanese Corporation Cerdia International Jinan Acetate Chemical	wood pulp methanol high sulfur coal	filtration media (primarily cigarette filters)
Nonwovens				
Nonwovens	wetlaid nonwoven media specialty and engineered papers cellulose acetate fiber	Hollingsworth and Vose Company Lydall, Inc. BorgWarner Inc.	natural and synthetic fibers inorganic and metallic additives resins	filtration and friction media for transportation industrial agriculture and mining aerospace markets

Strategy

Management applies the innovation-driven growth model to the Fibers segment by leveraging its strong customer relationships and industry knowledge to maintain a leading industry position in the global market. The segment benefits from a state-of-the-art, world class, acetate flake production facility at the Kingsport, Tennessee site, which is supplied from Eastman's vertically integrated gasification facility and is the largest and most integrated acetate tow site in the world. The Fibers segment also expects to benefit from Eastman's recently developed carbon renewal technology, which enables the substitution of fossil fuel feedstock with recycled waste content. Products using this technology are marketed and sold under the "Renew" product designation. See "Corporate Overview - Business Strategy - Sustainability and Circular Economy". The Company contractually supplies acetate flake raw material to the manufacturing facility of its acetate tow joint venture in China from the Company's manufacturing facility in Kingsport, Tennessee, which the Company recognizes in sales revenue. The Company recognizes earnings in the joint venture through its equity investment, reported in "Other (income) charges, net" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings in Part II, Item 8 of this Annual Report. The Company's focus on innovation has resulted in repurposing some of its acetate tow manufacturing capacity to fibers products for textiles, resulting in increased capacity utilization and lower acetate tow costs.

To meet customers' evolving needs and further improve the Fibers segment's manufacturing process efficiencies, the Company leverages proprietary cellulosic biopolymers and spinning technology, optimizing asset productivity through process improvement, selecting product innovation in response to acetate tow customer needs, and working with suppliers to reduce costs. For textiles, the Fibers segment is offsetting declines in acetate tow through investments in differentiated application development capabilities and new product innovations, including circular solutions, to drive growth in textiles and apparel of Naia™ yarns and fibers.

In 2024, the Fibers segment:

- continued to benefit from and execute multi-year raw material and energy cost pass-through contracts across the acetate tow customer base;
- commercialized Naia™ Renew Enhanced Sustainability, an offering sourced from 60 percent recycled content with a global fashion brand known for its sustainability focus; and

- reached over 70 signed trademark licensing agreements with high profile brands ranging from major multinational fashion brands to sustainable champions in outdoor clothing.

EASTMAN CHEMICAL COMPANY GENERAL INFORMATION

Seasonality

Eastman's earnings are typically lowest in fourth quarter, and cash flows from operations are typically highest in the second half of the year due to seasonal demand based on general economic activity in the Company's key markets as described in "Business Segments". Results in all segments except the Fibers segment are typically weaker in the fourth quarter due to seasonal downturns in key markets.

Eastman is exposed to consumer discretionary end-markets and changes in global consumer spending, particularly in the AM and AFP segments. The coatings additives product line of the AFP segment and the intermediates product line of the CI segment are impacted by the cyclicality of key end products and markets, while other operating segments and product lines are more sensitive to global economic conditions. Supply and demand dynamics determine profitability at different stages of business cycles, and global economic conditions affect the length of each cycle.

Sales, Marketing, and Distribution

Eastman markets and sells products primarily through a global marketing and sales organization that has a presence in the United States and approximately 30 other countries, selling into more than 100 countries around the world. The Company focuses its market engagement on attractive niche markets, leveraging disruptive macro trends, and market activation throughout the value chain with both customers and downstream users. Eastman's strategy is to target industries and markets where the Company can leverage its application development expertise to develop product offerings to provide differentiated value that address current and future customer and market needs. The Company's strategic marketing approach and capabilities leverage the Company's insights about trends, markets, and customers to drive development of specialty products. Through a highly skilled and specialized sales force that is capable of providing differentiated product solutions, Eastman strives to be the preferred supplier in the Company's targeted markets.

The Company's products are also marketed through indirect channels, which include dealers and contract representatives. Sales outside the United States tend to be made more frequently through dealers and contract representatives than sales in the United States. The combination of direct and indirect sales channels, including sales online through its Customer Center website, allows Eastman to reliably serve customers throughout the world.

The Company's products are shipped to customers and downstream users directly from Eastman manufacturing plants and distribution centers worldwide.

Research and Development

Management applies its innovation-driven growth model by leveraging the Company's world class scalable technology platforms, such as cellulosic biopolymers and polyesters, that provide a competitive advantage and the foundation for sustainable earnings growth. The Company's R&D strategy for sustainable growth through innovation includes multi-generational product development for specialty products, faster and more differentiated product development by leveraging global application development capabilities, and the creation of value through integration of multiple technology platforms. The Company's innovation strategy is guided by the need to provide timely and practical solutions to sustainability macro-drivers that will improve the quality of life globally through material solutions. This strategy has been accelerated by investment in global differentiated application development capabilities that position Eastman as a strategic customer partner driving success within attractive niche markets. See examples of recent product and technology innovations in "Corporate Overview - Business Strategy - Innovation".

Eastman manages certain growth initiatives and costs at the corporate level, including certain R&D costs not allocated to any one operating segment. The Company uses a stage-gating process, which is a disciplined decision-making framework for evaluating targeted opportunities, with a number of projects at various stages of development. As projects meet milestones, additional amounts are spent on those projects. The Company continues to explore and invest in R&D initiatives such as high-performance materials and opportunities created by disruptive macro trends, including sustainability and development of a circular economy. See "Corporate Overview - Business Strategy - Sustainability and Circular Economy".

Manufacturing Streams

Integral to Eastman's strategy for growth is leveraging its heritage expertise and innovation in polyester, cellulosic biopolymers and acetyl, alkylamine, and olefins chemistries in key markets, including transportation, building and construction, consumables, and agriculture. For each of these chemistries, Eastman has developed and acquired a combination of assets and technologies that are operated within four manufacturing "streams", combining scale and integration across multiple manufacturing units and sites as a competitive advantage.

- In the polyester stream, the Company begins with paraxylene, ethylene glycol, and integrated feedstocks, converting them through a series of intermediate materials to ultimately produce clear, tough, chemically resistant copolyesters. The Company is enhancing the polyester stream by investing in plastic-to-plastic polyester renewal facilities to enable various waste plastics to be recycled into high quality, polyester Renew products. Polyester stream products are converted for end-uses in cosmetics and personal care, medical devices, durable goods, and food packaging industries.
- In the cellulosic biopolymers and acetyl stream, the Company begins with gasification of fossil fuels with oxygen. The resulting synthesis gas is converted into acetic acid and acetic anhydride. Cellulosic biopolymers derivative manufacturing at the Company begins with natural polymers, sourced from sustainably-managed forests, which, when combined with acetyl and olefin chemicals, provide differentiated product lines. Through a recent recycling innovation, carbon renewal technology is now enabling the recycling of complex plastics to serve as the basic building blocks of Eastman's cellulosic product stream. The major end-markets for products from the cellulosic biopolymers and acetyl stream include coatings, displays, and thermoplastics.
- In the alkylamines stream, the Company begins with ammonia and alcohol feedstocks to produce methylamines and higher alkylamines, which can then be further converted into alkylamine derivatives. The Company's alkylamines products are primarily used in agriculture, water treatment, consumables, and oil and gas end-markets.
- In the olefins stream, the Company primarily focuses on propylene derivatives through its world-class Oxo catalyst technology. This technology is used to produce numerous derivative products converted for end-uses in the food industry, health and beauty products, detergents, and automotive products. Underlying this technology is the Company's low-cost propylene position created through the combination of propylene-centric hydrocarbon cracking, RGP processing, and cost-advantaged purchase agreements.

The Company leverages its expertise and innovation in polyester, cellulosic biopolymers and acetyl, alkylamine, and olefins chemistries and technologies to meet demand and create new uses and opportunities for the Company's products in key markets. Through integration and optimization across these streams, the Company is able to create unique and differentiated products that have a performance advantage over competitive materials.

Sources and Availability of Raw Materials and Energy

Eastman purchases a majority of its key raw materials and energy through different contract mechanisms, generally of one to three years in initial duration, with renewal or cancellation options for each party. Most of these agreements do not require the Company to purchase materials or energy if its operations are reduced or idle. The cost of raw materials and energy is generally based on market price at the time of purchase; however, from time to time, Eastman uses derivative financial instruments for certain key raw materials to mitigate the impact of market price fluctuations. Key raw materials include paraxylene, propane, propylene, cellulosic biopolymers, polyvinyl alcohol, methanol, fatty alcohol, and a wide variety of precursors for specialty organic chemicals. Key purchased energy sources include natural gas, coal, and electricity. The Company has multiple suppliers for most key raw materials and energy sources and uses quality management principles, such as the establishment of long-term relationships with suppliers and ongoing performance assessments and benchmarking, as part of its supplier selection process. When appropriate, the Company purchases raw materials from a single source supplier to maximize quality and reduce cost and has contingency plans to minimize the potential impact of any supply disruptions from single source suppliers.

While temporary shortages of raw materials and energy may occasionally occur, these items are generally sufficiently available to cover current and projected requirements. However, their continuous availability and cost are subject to unscheduled plant interruptions occurring during periods of high demand, domestic and world market conditions, changes in government regulation, supply chain disruption, global pandemics, natural disasters, war or other outbreak of hostilities or terrorism or other political factors, or breakdown or degradation of transportation infrastructure. Eastman's operations or products have been in the past, and may be in the future, adversely affected by these factors. See "Risk Factors" in Part I, Item 1A of this Annual Report. The Company's raw material and energy costs as a percent of total cost of operations were approximately 45 percent in 2024. For additional information about raw materials, see Exhibit 99.02 "Product and Raw Material Information" of this Annual Report.

Intellectual Property, Trademarks, and Licensing

While Eastman's intellectual property portfolio is an important Company asset that it expands and vigorously protects globally through a combination of patents, trademarks, copyrights, and trade secrets, its business is not substantially dependent upon any one particular patent, trademark, copyright, or trade secret. As a producer of a broad range of advanced materials, specialty additives, chemicals, and fibers, Eastman owns over 800 active United States patents, approximately 1,700 active foreign patents, and over 4,500 active worldwide trademark applications and registrations. Domestic and foreign patents within the Company's portfolio are subject to various expiration dates, depending on the dates they were originally filed and laws governing patent terms and extensions thereof in applicable jurisdictions. As the laws of many countries do not protect intellectual property to the same extent as the laws of the United States, Eastman cannot ensure that it will be able to adequately protect its intellectual property assets outside the United States. See "Risk Factors" in Part I, Item 1A of this Annual Report.

The Company pursues opportunities to license proprietary technology to third parties where it has determined that the competitive impact to its businesses will be minimal. These arrangements typically are structured to require payments at significant project milestones such as signing, completion of design, and start-up.

Information Security

The Company employs information systems to support its business, enable transformation, and deploy digital services. The Company utilizes a risk-based, multi-layered information security approach based on the U.S. National Institute of Standards and Technology Cybersecurity Framework. As with other industry participants, the Company from time to time experiences attempted cyber-attacks of its information systems, none of which have resulted in a material adverse impact on the Company's operations or financial results, any penalties, or settlements. See "Risk Factors" in Part I, Item 1A and "Cybersecurity" in Part I, Item 1C of this Annual Report.

Human Capital

To keep solving complex problems and growing its business, the Company must continue to attract, develop, and retain exceptional people ("human capital"), and motivate them to excel. Strong workforce and leadership development, succession management, an inclusive culture that brings out the best in every individual, and competitive compensation and benefits are vital to the success of Eastman's innovation-driven growth strategy. The Compensation and Management Development Committee of the Board of Directors oversees workforce and senior management development and the Board of Directors monitors the culture of the Company and leadership quality, morale, and development.

Eastman places a strong emphasis on the health, safety and well-being of employees — both at work and at home. Eastman's "zero-incident mindset" takes a holistic approach to people and processes by fostering the right behaviors, values, and culture to ensure that employees are operating responsibly, accountably, and safely.

The Company's focus on well-being also includes physical, emotional, and financial health of employees and their families, with on-site and on-demand resources such as fitness classes, health coaches, and financial counselors. The Company regularly reviews its benefits equity to better understand the needs of its employees in the current environment. Through this work, the Company continues to explore new ways to make benefits more attractive in an evolving talent marketplace. The Company also continues to provide global flexibility principles and resources to emphasize the importance of balancing work and personal responsibilities.

Breakthroughs require creativity and unconventional ideas, and that takes diverse perspectives and an environment that empowers everyone to speak their mind and add value, so their ideas are translated into plans and actions. As Eastman develops new products to meet today's most pressing needs, the Company inspires innovative ideas by making every team member feel valued and empowered to do their best work. Building an inclusive workplace, powered by a global employee population of approximately 14,000 people worldwide is key to promoting innovation and driving results.

The table below shows the percentage of the Company's global employee population by region.

United States and Canada	73 %
Europe, Middle East, and Africa	14 %
Asia Pacific	10 %
Latin America	3 %
Total	100 %

To execute the growth strategy, the Company needs to attract, develop, and retain people of all backgrounds, cultures, and experiences. Eastman believes transparency is an important part of creating accountability and driving progress. In 2024, the Company's female representation globally was 40 percent in professional level roles, 29 percent in leadership roles, and 22 percent at the executive level. In the United States, the Company's racially and ethnically diverse talent was 15 percent in professional level roles, 13 percent in leadership roles, and 11 percent at the executive level. The non-employee directors of Eastman's Board of Directors are 40 percent female and 30 percent racially and ethnically diverse. See "Information About our Executive Officers" in Part I of this Annual Report and "Directors, Executive Officers and Corporate Governance"— "Election of Directors" in Part III, Item 10 of this Annual Report for more information.

Eastman Resource Groups ("ERGs") are uniquely positioned to help ensure every team member feels valued, respected, and able to perform at their full potential. Chaired by a team member and sponsored by a senior executive, each ERG is dedicated to helping its members grow professionally and maximize business contributions. All Eastman team members are encouraged to join or participate in any or multiple ERGs.

Eastman's compensation philosophy, principles, and processes are designed to ensure the Company pays competitively in the market for top talent and that the pay is distributed fairly and consistently. An independent third party assesses pay equity each year by comparing pay for people in the same jobs, job levels, and locations. This analysis, which considers gender, race and ethnicity (in the U.S.), performance, tenure, specialty skills, and educational credentials, is completed during the annual compensation review process, when leadership makes pay decisions.

Customers

Eastman has an extensive customer base and, while it is not dependent on any one customer, loss of certain top customers could adversely affect the Company until such business is replaced. The top 100 customers accounted for approximately 60 percent of the Company's 2024 sales revenue. No single customer accounted for 10 percent or more of the Company's consolidated sales revenue during 2024.

Compliance With Environmental and Other Government Regulations

The Company is subject to significant and complex governmental laws and regulations, both in the U.S. and internationally, which require and will continue to require significant expenditures to remain in compliance and may, depending on specific facts and circumstances, impact the Company's competitive position. See "Risk Factors -- Legislative, regulatory, or voluntary actions could increase the Company's future health, safety, and environmental compliance costs." in Part I, Item 1A of this Annual Report. These include health, safety, and environmental laws and regulations; site security regulations; chemical control laws; laws protecting intellectual property; privacy, data sharing and data protection laws; laws regulating energy generation and distribution, such as utilities, pipelines and co-generation facilities; and customs laws and laws regulating import and export of products and technology. As described below, the most significant environmental capital and other expenditures are for compliance with environmental and health and safety laws. In addition to these regulations, compliance with chemical control laws (including the U.S. Toxic Substances Control Act, the U.S. Federal Insecticide, Fungicide, and Rodenticide Act and similar non-U.S. counterparts, and the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") program in the European Union) and laws protecting intellectual property (see "Intellectual Property, Trademarks, and Licensing") have the most impact on the Company's day-to-day operations and competitive position.

Environmental

The Company is subject to laws, regulations, and legal requirements relating to the use, storage, handling, generation, transportation, emission, discharge, disposal, remediation of, and exposure to, hazardous and non-hazardous substances and wastes in all of the countries in which it does business. These health, safety, and environmental considerations are a priority in the Company's planning for all existing and new products and processes. The Environmental, Safety, and Sustainability Committee of Eastman's Board of Directors oversees the Company's policies and practices concerning health, safety, and the environment and its processes for complying with related laws and regulations and monitors related matters.

The Company's policy is to operate its plants and facilities in compliance with all applicable laws and regulations such that it protects the environment and the health and safety of its employees and the public. The Company intends to continue to make expenditures for environmental protection and improvements in a timely manner consistent with its policies and with available technology. In some cases, applicable environmental regulations such as those adopted under the United States' Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act, and related actions of regulatory agencies determine the timing and amount of environmental costs incurred by the Company. Likewise, any new legislation or regulations related to GHG emissions, energy or climate change, or the repeal of such legislation or regulations, could impact the timing and amount of environmental costs incurred by the Company.

The Company accrues environmental costs when it is probable that the Company has incurred a liability at a contaminated site and the amount can be reasonably estimated. In some instances, the amount cannot be reasonably estimated due to insufficient information, particularly as to the nature and timing of future expenditures. In these cases, the liability is monitored until such time that sufficient information exists. With respect to a contaminated site, the amount accrued reflects liabilities expected to be paid out within approximately 30 years as well as the Company's assumptions about remediation requirements at the contaminated site, the nature of the remedy, the outcome of discussions with regulatory agencies and other potentially responsible parties at multi-party sites, and the number and financial viability of other potentially responsible parties. Changes in the estimates on which the accruals are based, unanticipated government enforcement action, or changes in health, safety, environmental, and chemical control regulations, and testing requirements could result in higher or lower costs.

The Company does not currently expect near term environmental capital expenditures arising from requirements of environmental laws and regulations to materially impact the Company's planned level of annual capital expenditures for environmental control facilities. Other matters concerning health, safety, and the environment are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and in Note 1, "Significant Accounting Policies"; Note 13, "Environmental Matters and Asset Retirement Obligations"; and Note 21, "Reserve Rollforwards", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Eastman's cash expenditures related to environmental protection and improvement were $307 million, $314 million, and $300 million in 2024, 2023, and 2022, respectively, and include operating costs associated with environmental protection equipment and facilities, engineering costs, and construction costs. These cash expenditures include environmental capital expenditures of approximately $70 million, $65 million, and $60 million in 2024, 2023, and 2022, respectively.

Health and Safety

Eastman places a strong emphasis on the health, safety, and well-being of its employees. Eastman's commitment to a "zero-incident mindset" takes a holistic approach to people and processes by fostering the right behaviors, values, and culture to ensure that its employees are operating responsibly, accountably, and safely. See "Human Capital". Under the U.S. Occupational Safety and Health Act of 1970, as administered by the Occupational Safety and Health Administration ("OSHA"), some of the Company's operations are subject to workplace standards under OSHA's Process Safety Management program. From time to time, the Company may incur significant capital expenditures to maintain compliance with the requirements of this program.

Available Information - Securities and Exchange Commission ("SEC") Filings

Eastman makes available free of charge, in the Investors section of its Internet website at www.eastman.com, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the SEC. Additionally, the Company routinely posts additional important information, including press releases, on its website and recognizes its website as a channel of distribution to reach public investors and as a means of disclosing material non-public information for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor the Company's website in addition to its SEC filings and public webcasts. The information contained on the Company's website is not included as a part of, or incorporated by reference into, this Annual Report.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

ITEM 1A. RISK FACTORS

In addition to factors described elsewhere in this Annual Report, the following are the material known factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements made in this Annual Report and elsewhere from time to time. See "Forward-Looking Statements". The risks described below should be carefully considered, some of which have manifested and any of which may occur in the future, in addition to the other information contained in this Annual Report, before making an investment decision with respect to any of the Company's securities. The following risk factors are not necessarily presented in the order of importance. In addition, there may be other factors not currently known to the Company, which could, in the future, materially adversely affect the Company, its business, financial condition, or results of operations. This and other related disclosures made by the Company in this Annual Report, and elsewhere from time to time, represent management's best judgment as of the date the information is given. The Company does not undertake responsibility for updating any of such information, whether as a result of new information, future events, or otherwise, except as required by law. Investors are advised, however, to consult any further public Company disclosures (such as in filings with the Securities and Exchange Commission, in Company press releases, or in other public Company presentations) on related subjects.

Risks Related to Global Economy and Industry Conditions

Continued uncertain conditions in the global economy, labor market, and financial markets could negatively impact the Company.

The Company's business and operating results are impacted by global recessions, and the related impacts, such as the credit market crisis, declining consumer and business confidence, fluctuating commodity prices, volatile exchange rates, increasing interest rates, and other challenges that impacted the global economy. Similarly, as a company that operates and sells products worldwide, uncertainty in the global economy, labor market, and capital markets (including impacts from inflation, higher interest rates, and subsequent changes and disruptions in business, political, and economic conditions) have impacted and may adversely impact demand for and the costs of certain Eastman products and accordingly results of operations, and may adversely impact the Company's financial condition and cash flows and ability to access the credit and capital markets under attractive rates and terms and negatively impact the Company's liquidity or ability to pursue certain growth initiatives.

In addition, the Federal Reserve in the U.S. and other central banks in various countries have raised interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation could also result in recessionary pressures in many parts of the world.

Volatility in costs for strategic raw material and energy commodities or disruption in the supply and transportation of these commodities and in transportation of Company products could adversely impact the Company's financial results.

Eastman is reliant on certain strategic raw material and energy commodities for its operations and utilizes certain risk management tools to mitigate market fluctuations in raw material and energy costs. The cost and availability of these raw materials and energy commodities can be adversely impacted by factors such as business and economic conditions, anomalous severe weather events, natural disasters, global pandemics, plant interruptions, supply chain and transportation disruptions, changes in laws or regulations, levels of unemployment and inflation, currency exchange rates, higher interest rates, war or other outbreak of hostilities or terrorism (such as the ongoing Russia/Ukraine and Middle East conflicts), and breakdown or degradation of transportation and supply chain infrastructure.

Inflationary pressures affecting the general economy, energy markets, and certain raw materials have increased the Company's operating costs. While the Company has undertaken efforts to offset many of these costs through various pricing actions, these risk mitigation measures do not eliminate all exposure to market fluctuations. In addition to these inflationary pressures, the Company has experienced certain supply chain challenges impacting its ability to secure certain raw materials and timely distribute products to customers. To mitigate the effects of these and other supply chain disruptions, the Company has implemented multifaceted sourcing, warehousing, and delivery strategies to focus on building resilient and redundant supply positions, and minimizing disruptions to customers by using alternate shipping methods to expedite delivery times. The Company's geographic footprint has also helped reduce exposure to localized risks.

Prolonged periods of heightened inflation or supply chain disruptions could have a material, adverse impact on the Company's financial performance and results of operations.

The Company's substantial global operations subject it to risks of doing business in other countries that could adversely impact its business, financial condition, and results of operations.

More than half of Eastman's sales for 2024 were to customers outside of North America. The Company expects sales from international markets to continue to represent a significant portion of its sales. Also, a significant portion of the Company's manufacturing capacity is located outside of the United States. Accordingly, the Company's business is subject to risks related to the differing legal, political, cultural, social and regulatory requirements, and economic conditions of many jurisdictions. Fluctuations in currency exchange rates may impact product demand and may adversely impact the profitability in U.S. dollars of products and services provided in foreign countries. Volatility or unfavorable movements in currency exchange rates may adversely impact Eastman's financial condition or cash flows. Although the Company employs a variety of techniques to mitigate the impact of exchange rate fluctuations, there cannot be a guarantee that such hedging and risk management strategies will be effective, and Eastman's results of operations could be adversely affected.

The U.S. and foreign countries may also adopt or increase restrictions on foreign trade or investment, including currency exchange controls, tariffs or other taxes, or limitations on imports or exports (including recent and proposed changes in U.S. trade policy and resulting retaliatory actions by other countries, including China, which may increasingly reduce demand for and increase costs of impacted products or result in U.S.-based trade counterparties limiting trade with U.S.-based companies or non-U.S. customers limiting their purchases from U.S.-based companies). Certain legal and political risks are also inherent in the operation of a company with Eastman's global scope. For example, it may be more difficult for Eastman to enforce its agreements or collect receivables through foreign legal systems. There is also a risk that foreign governments may nationalize private enterprises in certain countries where Eastman operates. Also, changes in general economic and political conditions in countries where Eastman operates are a risk to the Company's financial performance. As Eastman continues to operate its business globally, its success will depend, in part, on its ability to anticipate and effectively manage and mitigate these and other related risks. There can be no assurance that the consequences of these and other factors relating to its multinational operations will not have an adverse impact on Eastman's business, financial condition, or results of operations.

Risks Related to the Company's Business and Strategy

The Company's business is subject to operating risks common to chemical and specialty materials manufacturing businesses, any of which could disrupt manufacturing operations or related infrastructure and adversely impact results of operations.

As a global specialty materials company, Eastman's business is subject to operating risks common to chemical manufacturing, storage, handling, and transportation, including explosions, fires, inclement weather, natural disasters, mechanical failure, unscheduled downtime, transportation and supply chain interruptions, remediation, chemical spills, and discharges or releases of toxic or hazardous substances or gases. Significant limitation on the Company's ability to manufacture products due to disruption of manufacturing operations or related infrastructure could have a material adverse impact on the Company's sales revenue, costs, results of operations, credit ratings, and financial condition. Disruptions could occur due to internal factors such as computer or equipment malfunction (accidental or intentional), operator error, or process failures; or external factors such as supply chain disruption, computer or equipment malfunction at third-party service providers, natural disasters, changes in laws or regulations, war or other outbreak of hostilities or terrorism, cyber-attacks, or breakdown or degradation of transportation and supply chain infrastructure used for delivery of supplies to the Company or for delivery of products to customers. Unplanned disruptions of manufacturing operations or related infrastructure could be significant in scale and could negatively impact operations, neighbors, and the environment, and could have a negative impact on the Company's results of operations.

In addition, as a chemical and materials manufacturing company, efficient inventory management is also a critical component of Eastman's business success. If inventory management decisions do not accurately forecast customer demand, buying trends and patterns, or seasonality, the Company may have to recognize unanticipated expenses or make pricing adjustments to dispose of the excess inventory, which can adversely impact Eastman's financial results.

The Company is subject to operating risks related to its information technology infrastructure, including service interruptions, data corruption, cyber-based attacks or network security incidents, which could cause operations to be disrupted, product manufacturing to be delayed or data confidentiality to be impaired.

Eastman depends on information technology ("IT") to enable the Company to operate safely, interface with employees, vendors and customers, and maintain its internal control environment. The Company's IT systems are maintained with a risk-based approach for the implementation of security protocols, system updates, employee training, and engagement of external experts. Eastman's risk-based approach is integrated with the Company's overall risk management strategy. Eastman's IT capabilities are delivered through a combination of internal and external services and service providers.

Despite the Company's efforts to mitigate cybersecurity risk, its business may be impacted by system shutdowns, service disruptions, or cybersecurity incidents. Such an incident could result in unauthorized access or disclosure of confidential or personal information, and loss of trade secrets and intellectual property. In addition, the Company may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to the Company, its current or former employees, customers, or suppliers, and may become exposed to legal action, governmental investigations, enforcement actions and regulatory fines. The Company may also be required to spend additional resources to restore systems or repair damage caused by a cybersecurity incident. These risks may also be present for the Company's joint venture partners, suppliers, or acquired businesses.

The Company has been in the past, and likely will be in the future, subject to cyber-attacks related to its information systems. Although none of the previous cyber-attacks have had a material adverse impact on the Company's operations or financial results, no assurances can be provided that any future disruptions due to these, or other, circumstances will not have such an impact. See "Cybersecurity" in Part I, Item 1C of this Annual Report.

Growth initiatives may not achieve desired business or financial objectives and may require significant resources in addition to or different from those available or in excess of those estimated or budgeted for such initiatives.

Eastman continues to identify and pursue growth opportunities through both organic and inorganic initiatives, such as Eastman's sustainable innovation initiatives, which aim to develop a more "circular economy." These and other growth opportunities include development and commercialization or licensing of innovative new products and technologies, expansion into new markets and geographic regions through, among other means, alliances, ventures, and acquisitions that complement and extend the Company's portfolio of businesses and capabilities. Such initiatives are necessarily constrained by availability and development of additional resources.

There can be no assurance that such innovation, development and commercialization or licensing efforts, investments, or acquisitions and alliances (including integration of acquired businesses) will receive necessary governmental or regulatory approvals, or result in financially successful commercialization of products, or acceptance by existing or new customers, or successful entry into new markets or otherwise achieve their underlying strategic business objectives or that they will be beneficial to the Company's results of operations. There also can be no assurance that capital projects for growth efforts can be completed within the time or at the costs projected due to, among other things, demand for and availability of construction materials and labor, obtaining regulatory approvals and operating permits, and reaching agreement on terms of key agreements and arrangements with potential suppliers and customers. Any such delays or cost overruns or the inability to obtain such approvals or to reach such agreements on acceptable terms could negatively impact the returns from any proposed or current investments and projects.

The Company is the subject of various legal proceedings, and may be subject to future claims, that could have a material adverse effect on the business, financial condition, and results of operations.

From time to time, Eastman is involved in various legal proceedings or other commercial disputes and other legal and regulatory proceedings relating to its business. Due to the inherent uncertainties of litigation, commercial disputes, including claims related to product quality, defects, or use, or other legal or regulatory proceedings, management cannot accurately predict their ultimate outcome, including the outcome of any related appeals. Although management establishes reserves based on the assessment of contingencies related to legal claims asserted against the Company, subsequent developments may affect its assessment and estimates of the loss contingency recorded as a reserve and require payments in excess of the Company's reserves, which could have an adverse effect on Eastman's business, financial conditions, and results of operations. Although the Company maintains liability insurance coverage, potential litigation claims could be excluded, limited by self-insured retentions, or exceed coverage limits under the terms of the Company's insurance policies.

If Eastman is unable to protect its intellectual property rights, the Company's competitive position, financial condition, and results of operations could be adversely impacted.

Eastman relies on its intellectual property rights both in the U.S. and in foreign countries, including patents, trade secrets, trademarks, trade names, and copyrights to protect its investment in research and development and its competitive commercial positions in manufacturing and branding its products. Because of the differences in foreign trademark, patent, and other laws concerning intellectual property rights, the intellectual property rights may not receive the same degree of protection in foreign countries as they would in the U.S., which could result in inconsistent protection or loss of valuable intellectual property rights in some countries. If the Company is not successful in protecting its intellectual property rights, Eastman's business, financial condition, and results of operations may be adversely affected.

Significant acquisitions or divestitures could expose the Company to risks and uncertainties, the occurrence of any of which could materially adversely affect the Company's business, financial condition, and results of operations.

While acquisitions and divestitures have been and continue to be a part of Eastman's strategy, acquisitions of large companies and acquisitions or divestitures of businesses subject the Company to a number of risks and uncertainties, the occurrence of any of which could have a material adverse effect on Eastman. These include, but are not limited to, the possibility that the actual and projected future financial performance of the acquired or remaining business may be significantly worse than expected. In the case of an acquired business and as reported in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates – Impairment of Long-Lived Assets - Goodwill" in Part II, Item 7 of this Annual Report, the carrying values of goodwill, indefinite-lived intangible assets, and certain assets from acquisitions may, as has been the case for certain acquired assets, be impaired resulting in non-cash charges to future earnings. In the case of a divested business, the divestiture could reduce Eastman's revenue and, potentially, margins and increase its costs and liabilities in the form of transition costs and retained liabilities from the operations divested, including environmental liabilities.

If Eastman were to incur significant additional indebtedness, it may constrain the Company's ability to access the credit and capital markets at attractive interest rates and favorable terms, which may negatively impact the Company's liquidity or ability to pursue certain growth initiatives. The Company also may not be able to achieve the cost, revenue, tax, or other "synergies" expected from any acquisition, or that there may be delays in achieving any such synergies. In addition, management's time and effort may be dedicated to the integration of the new business or specific assets or product lines or separation of the divested business or specific assets or product lines resulting in a loss of focus on the successful operation of the Company's legacy businesses. The Company also may be required to expend significant additional resources in order to integrate any acquired business or specific assets or product lines into Eastman or separate any divested business or specific assets or product lines from Eastman. As such, the integration or separation efforts may not achieve the expected benefits.

The Company may be subject to indemnity claims relating to properties or businesses it has divested or acquired.

In connection with the sale of certain properties and businesses, Eastman has agreed to indemnify the purchasers of such properties for certain types of matters, including unknown contingent liabilities for environmental matters or tax liabilities. In addition, the Company has assumed liabilities related to certain properties it has acquired. With respect to environmental matters, the discovery of contamination arising from properties that the Company has divested or acquired may expose it to liability for environmental matters, including indemnity obligations under the sale agreements with the buyers of such properties or cleanup obligations and other damages under applicable environmental laws. Eastman may not have insurance coverage for such indemnity obligations or cash flows to make such indemnity or other payments.

Certain agreements by which the Company has acquired companies require the former owners to indemnify Eastman against certain liabilities related to the operation of those companies prior to Eastman's acquisition. Similarly, the purchasers of the Company's disposed operations may, from time to time, agree to indemnify it for operations of such businesses after the closing. There can be no assurance that the indemnity agreements will be sufficient to protect Eastman against the full amount of any liabilities that may arise, or that the indemnitors will be able to fully satisfy their indemnification obligations. The failure to receive amounts for which Eastman is entitled to indemnification could adversely affect Eastman's financial condition and results of operations. For information regarding potential environmental remediation costs, see Note 13, "Environmental Matters and Asset Retirement Obligations", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Failure to attract and retain talented personnel could adversely affect the Company's ability to compete and achieve its strategic objectives.

Eastman's future success in achieving its performance and growth goals depends on its ability to attract, retain, develop and motivate highly skilled personnel. The Company has experienced, and continues to experience, an increasingly competitive hiring environment for skilled employees at its manufacturing and other sites, which has generally increased the cost of hiring or retaining talented employees essential to its success. In addition, effective succession planning is paramount to its long-term success. It is critical that Eastman identifies and develops succession candidates for senior management and other key positions throughout the organization. Failure to timely identify and develop succession candidates heightens the risk associated with the unexpected departure of key employees. Eastman's inability to ensure effective transfer of knowledge and transitions involving key employees could adversely impact its strategic planning and execution, which could adversely affect Eastman's business, financial condition, and results of operations.

Risks Related to Regulatory Changes and Compliance

Legislative, regulatory, or voluntary actions, or violations thereof, could increase the Company's future health, safety, environmental, and other compliance costs and legal costs or have an adverse impact on the Company's ability to operate in foreign countries.

Eastman, its facilities, and its businesses are subject to complex health, safety, and environmental laws, regulations, and related voluntary actions, both in the U.S. and internationally, which require and will continue to require significant expenditures to remain in compliance with such laws, regulations, and voluntary actions. The Company's manufacturing activities, both inside and outside of the U.S., are subject to regulation by various federal, state, local and foreign laws, regulations, rules and government agencies concerning, among other things, air emissions, discharges to land and water, and the generation, handling, treatment, and disposal of hazardous waste and other materials. Actual or alleged violations of environmental, health or safety laws and regulations could result in restrictions or prohibitions on manufacturing operations as well as substantial damages, penalties, fines, civil or criminal sanctions and remediation costs. Eastman has incurred, and will continue to incur, significant costs and capital expenditures to comply with these laws and regulations, which may adversely impact its business and financial results. Future developments and more stringent environmental regulations may require the Company to make significant expenditures for environmental protection equipment, compliance, and remediation.

The Company's accruals for such costs and associated liabilities are subject to changes in estimates on which the accruals are based. For example, any amount accrued for environmental matters reflects the Company's assumptions about remediation requirements at the contaminated site, the nature of the remedy, the outcome of discussions with regulatory agencies and other potentially responsible parties at multi-party sites, and the number of and financial viability of other potentially responsible parties. Changes in the estimates on which the accruals are based, unanticipated government enforcement action, or changes in health, safety, environmental, chemical control regulations and actions, and testing requirements could result in higher costs.

The global nature of Eastman's business could subject the Company to risks of violations, or allegations, associated with the U.S. Foreign Corrupt Practices Act (the "FCPA") and similar foreign anti-bribery and anti-corruption laws. These anti-bribery laws and regulations generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business. Further, the accounting provisions of the FCPA require the maintenance of accurate books and records of all company transactions. Alleged or actual violations of these laws could subject the Company to substantial civil and/or criminal fines and penalties, which could have a material adverse effect on Eastman's business, reputation, operating results, and financial condition. Further, the Company is required to comply with U.S. or foreign government regulations on trade sanctions and embargoes. A violation thereof could subject the Company to regulatory enforcement actions, including a loss of export privileges and significant civil and criminal penalties and fines.

Financial, regulatory, physical and transition risks associated with climate change could materially adversely affect the Company's business, financial condition, and results of operations.

Extreme weather events linked to climate change, including hurricanes and other storms, flooding, extreme heat and drought, create physical risks to Eastman's manufacturing operations, as well as those of its key suppliers, which could result in operating disruptions and additional costs. While the Company's sustainability and "circular economy" innovation initiatives are sources of competitive strength (see "Business - Corporate Overview - Business Strategy - Circular Economy and Sustainability" in Part I, Item 1 of this Annual Report), future changes in legislation and regulation and related voluntary actions associated with physical impacts of climate change may increase the likelihood that the Company's manufacturing facilities will in the future be impacted by carbon requirements, regulation of greenhouse gas emissions, and energy policy. In addition, such changes may require additional capital expenditures, increase costs or limit the supply of raw materials and energy choices, and result in other direct and indirect compliance or other costs. Such changes could also result in decreased demand for products related to carbon-based energy sources or increased demand for goods that result in lower emissions than competing products. See "Business - Eastman Chemical Company General Information - Compliance with Environmental and Other Government Regulations" in Part I, Item 1 of this Annual Report.

Changes in tax laws, regulations or treaties or adverse determinations by taxing or other governmental authorities could increase the Company's tax liabilities or otherwise affect its business, financial condition or results of operations.

The multinational nature of Eastman's business subjects it to taxation in the United States and other foreign jurisdictions. Changes to income tax laws and regulations or in the interpretation of such laws in any of the jurisdictions in which it operates, or the unfavorable resolution of tax matters could significantly increase the Company's effective tax rate and adversely impact its financial condition or results of operations. Eastman could also be affected by, among other things, changes in the mix of earnings in countries with differing statutory tax rates, expirations of tax holidays, changes in the valuation of deferred tax assets and liabilities, and changes in liabilities for uncertain tax positions. In addition, the U.S. and foreign countries may impose additional taxes or otherwise tax Eastman's income. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Income Taxes" in Part II, Item 7 of this Annual Report. For example, the Organization for Economic Co-operation and Development ("OECD") has introduced a framework to implement a global minimum tax. Several jurisdictions in which Eastman operates have enacted laws effective January 1, 2024, consistent with the OECD's framework. Details around the global minimum tax in each jurisdiction remain uncertain. The Company has so far experienced a modest increase in tax obligations in jurisdictions it conducts business and will continue to monitor and evaluate impacts.

The Company's insurance may not fully cover all potential exposures.

Eastman maintains property, casualty, business interruption, and other insurance, but coverage limits may not be sufficient to cover all risks associated with the hazards of its business. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance policies may become unavailable or available only for reduced amounts of coverage. In addition, from time to time, various types of insurance for specialty chemical companies have not been available on commercially acceptable terms or, in some cases, have not been available at all. For some risks, the Company may elect not to obtain insurance but instead self-insure. Losses and liabilities from uninsured or underinsured events and delay in the payment of insurance proceeds could have a material adverse effect on Eastman's business, financial condition, and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

Cybersecurity is an integral part of the Company's overall risk management program. The Company takes a comprehensive approach to cybersecurity, involving key stakeholders in oversight and decision-making processes.

The Company utilizes a risk-based, multi-layered information security strategy based on the U.S. National Institute of Standards and Technology Cybersecurity Framework to assess, identify, and manage risks from cybersecurity threats. This approach includes: (i) dedicated security operations center monitoring; (ii) network-based and host-based protections; (iii) a Privacy Council focused on privacy regulation adherence; (iv) privileged access management controls; (v) annual and ongoing information security training for all employees and targeted tabletop and other exercises; (vi) encryption of data, backup, recovery, and testing; (vii) regular internal and external audits against information security best practices; and (viii) benchmarking using external third parties. The Company employs these, and other measures, to protect its information assets and operations from internal and external cyber threats while ensuring business resiliency. It also aims to protect employee, customer and supplier information from unauthorized access or attack, as well as secure the Company's networks, systems, devices, products, and services.

The Company maintains cybersecurity policies, standards, and procedures, which include cyber incident response plans. These policies and procedures are continually refined to adapt to changes in regulations, identify potential and emerging security risks, and develop mitigation strategies and protocols for those risks. Regular exercises, tests, incident simulations, and system assessments are conducted to discover and address potential vulnerabilities, and improve decision-making, prioritization, monitoring, and reporting. The Company also engages external parties, such as consultants, independent assessors, computer security firms, and risk management and governance experts, to enhance its cybersecurity oversight and mitigate third-party risks.

The Company does not believe that there are currently any known risks from cybersecurity threats that are reasonably likely to materially affect the Company or its business strategy, results of operations, or financial condition. However, the Company could face risks from cybersecurity threats in the future that could have a material adverse effect on its business strategy, results of operations, or financial condition. See "Risk Factors - Risks Related to the Company's Business and Strategy" in Part I, Item 1A of this Annual Report.

Governance

The Board of Directors provides oversight of the Company's cybersecurity program. The Audit Committee, which consists of non-employee independent directors, receives updates from the Chief Information Officer ("CIO") on cybersecurity performance and recent industry trends at least quarterly. In addition to regular cybersecurity briefings from the Audit Committee, the Board also receives periodic, but at least annual, updates from management regarding cybersecurity, including prompt notice of cybersecurity threats or incidents that could materially impact the Company. The Board is informed about risk profile status, adversary assessments, training initiatives, cybersecurity projects, emerging global policies and regulations, cybersecurity technologies and best practices, cyber readiness, third-party assessments, mitigation efforts, and response plans.

The Company has a dedicated CIO and an Information Security Director who are supported by a team of cybersecurity professionals (the "Cybersecurity Team") that are responsible for leading the company-wide cybersecurity program and risk mitigation efforts. The CIO, the Information Security Director, and Cybersecurity Team work across all organizations within the Company to protect the Company and its employees, customers and suppliers against cybersecurity risks. The CIO and Information Security Director, with over 35 and 25 years of experience, respectively, have cybersecurity expertise, coupled with experience in IT strategy, operational management, incident response, and business continuity maintenance.

The Company also has a cross-functional Cybersecurity Incident Response Team consisting of senior-level management. This team is responsible for cybersecurity incident oversight and meets as needed, depending on the nature of an incident. The Company's internal audit team also provides independent assurance on the overall operations of the Company's cybersecurity program. The Company ensures that all employees, including part-time and temporary employees, undergo cybersecurity training and compliance programs at least annually.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Certain information about Eastman's executive officers is provided below:

Mark J. Costa, age 58, is Chair of the Eastman Chemical Company Board of Directors and Chief Executive Officer. Mr. Costa joined the Company in June 2006 as Chief Marketing Officer and leader of corporate strategy and business development; was appointed Executive Vice President, Specialty Plastics and Performance Polymers Head and Chief Marketing Officer in August 2008; was appointed Executive Vice President, Specialty Products and Chief Marketing Officer in May 2009; and became President and a member of the Board of Directors in May 2013. Prior to joining Eastman, Mr. Costa was a senior partner with Monitor Group, a global management consulting firm. He joined Monitor in 1988, and his experience included corporate and business unit strategies, asset portfolio strategies, innovation and marketing, and channel strategies across a wide range of industries. Mr. Costa was appointed Chief Executive Officer in January 2014 and named Board Chair effective July 2014. Mr. Costa also serves on the Board of Directors of International Flavors & Fragrances Inc.

William T. McLain, Jr., age 52, is Executive Vice President and Chief Financial Officer. Mr. McLain joined Eastman in 2000 and has served in high-level finance and accounting roles throughout the organization in the United States, Asia, and Europe. In 2011, Mr. McLain served as Director, Asia Pacific Finance, and in 2013 was appointed to International Controller. In 2014, Mr. McLain was appointed Corporate Controller until 2016 when he became Vice President of Finance. Prior to Eastman, Mr. McLain worked for the public accounting firm PricewaterhouseCoopers LLP. Mr. McLain was appointed to his current position effective February 2020.

Stephen G. Crawford, age 60, is Executive Vice President, Methanolysis Operations and Worldwide Engineering & Construction Transformation, with executive responsibility for overseeing methanolysis operations in Kingsport, and leading efforts to strengthen Eastman's engineering processes and disciplines and building capabilities for large projects. Mr. Crawford joined Eastman in 1984 and held leadership positions of increasing responsibility in both the manufacturing and technology organizations. From 2007 until January 2014 he served as Vice President of Global R&D in the AM and AFP segments. He was appointed Senior Vice President and Chief Technology Officer effective January 2014, Senior Vice President, Chief Technology and Sustainability Officer effective October 2019, and Executive Vice President, Manufacturing and Chief Sustainability Officer effective October 2022. Mr. Crawford was appointed to his current position effective January 2025.

Brad A. Lich, age 57, is Executive Vice President and Chief Commercial Officer, with responsibility for the AM segment, including the circular platform, as well as leadership of marketing, sales, supply chain, corporate strategy, and regional leadership. Mr. Lich joined Eastman in 2001 as Director of Global Product Management and Marketing for the Coatings business. Other positions of increasing responsibility followed, including General Manager of Emerging Markets of the former Coatings, Adhesives, Specialty Polymers, and Inks ("CASPI") segment. In 2006, Mr. Lich became Vice President of Global Marketing with direct responsibility for company-wide global marketing functions. In 2008, Mr. Lich was appointed Vice President and General Manager of the former CASPI segment, and in 2012 was appointed Vice President and General Manager of the AFP segment. In January 2014, Mr. Lich was appointed Executive Vice President, with responsibility for the AFP and AM segments and the marketing, sales, and pricing organizations. In March 2016, Mr. Lich assumed executive responsibility for outside-U.S. regional business leadership. Mr. Lich was appointed to his current position effective July 2016.

Travis Smith, age 51, is Executive Vice President, Additives & Functional Products, Manufacturing, WWE&C and HSE with responsibility for the global manufacturing and Worldwide Engineering and Construction ("WWE&C") in addition to leadership of the AFP segment and Health, Safety and Environment ("HSE"). Mr. Smith joined the Company in December 1992 as a chemical engineer and has held various positions of increasing responsibility within manufacturing, the chemicals business, corporate innovation, specialty plastics, and advance materials during his career at Eastman. Mr. Smith assumed the position of Vice President and General Manager, Performance Films in July 2012 and for both Performance Films and Advance Interlayers in April 2018, and was appointed Senior Vice President with responsibility for the AFP segment effective October 2022. Mr. Smith was appointed to his current position effective January 2025.

Iké Adeyemi, age 47, is Senior Vice President, Chief Legal Officer and Corporate Secretary. Ms. Adeyemi has leadership responsibility for Eastman's legal organization, which includes corporate governance, commercial law, litigation management and intellectual property, as well as responsibility for product stewardship and regulatory affairs, global business conduct, global trade compliance, and global public affairs. Before joining Eastman, Ms. Adeyemi served as vice president, corporate secretary, and associate general counsel of The Clorox Company. Prior to that, Ms. Adeyemi's work experience includes serving as the head of legal, corporate/M&A at BHP Billiton, and working at the law firms of Skadden, Arps, Slate, Meagher & Flom in the U.S. and White & Case LLP in London. Ms. Adeyemi was appointed to her current position effective September 2024.

Michelle H. Caveness, age 51, is Senior Vice President and Chief Manufacturing Officer overseeing global manufacturing and operations support. Ms. Caveness joined Eastman in 1996 and has held leadership roles of increasing responsibility in engineering, technology and manufacturing as well as on cross-functional business teams. Prior to her current role, she was vice president, Tennessee operations site leader and global operations support, leading one of the largest manufacturing sites in the United States and associated sites across the globe. Ms. Caveness was appointed to her current position effective January 2025.

Adrian J. Holt, age 55, is Senior Vice President and Chief Human Resources Officer. Mr. Holt is responsible for human resources strategy and services worldwide, which includes employee engagement, total rewards, learning and leadership development, and global talent acquisition and management. Mr. Holt joined Eastman in 2016 as Vice President, Global Talent Acquisition and HR Client Support, Americas and EMEA. Prior to Eastman, Mr. Holt served as Chief Human Resources Officer for WireCo World Group and as Vice President of Corporate Human Resources for BASF North America. Mr. Holt was appointed to his current position effective May 2023.

Christopher M. Killian, age 55, is Senior Vice President, Chief Technology Officer, and Sustainability Officer. Dr. Killian has responsibility for Eastman's global technology and innovation organization, and leadership of Eastman's sustainability strategy. Dr. Killian joined Eastman in 1996 as a research chemist. During his career at Eastman, he has held various leadership positions in technology and the business including Director, Tritan Growth Platform early in his career. Prior June 2021 Dr. Killian served as Vice President of Technology for the AFP, CI, and AM segments and was appointed Senior Vice President and Chief Technology Officer effective June 2021. Dr. Killian was appointed to his current position effective January 2025.

Julie A. McAlindon, age 57, is Senior Vice President, Regions and Chief Supply Chain Officer. Ms. McAlindon has responsibility for overseeing global supply chain, sourcing and procurement, and regional leadership outside of North America. Ms. McAlindon also leads the transformation of Eastman, building the capabilities and culture required to support Eastman's strategy. Prior to this role, Ms. McAlindon was Chief Procurement Officer and Vice President, Transformation. Ms. McAlindon joined Eastman in 2016. Before joining Eastman, Ms. McAlindon was with Avient Corporation as senior vice president, designed structures and solutions; and vice president of marketing. Prior to that, Ms. McAlindon's work experience includes a variety of leadership positions with The Dow Chemical Company. Ms. McAlindon was appointed to her current position effective June 2021.

Michelle R. Stewart, age 53, is Vice President, Chief Accounting Officer and Corporate Controller. Since joining Eastman in 1995, Ms. Stewart has served in a number of positions with increasing responsibility in the finance organization. Prior to joining Eastman, Ms. Stewart worked for the public accounting firm KPMG Peat Marwick. Ms. Stewart was appointed to her current position effective October 2021.

ITEM 2. PROPERTIES

At December 31, 2024, Eastman owned or operated 36 manufacturing facilities and had equity interests in three manufacturing joint ventures in a total of 12 countries. Utilization of these sites may vary with product mix and economic, seasonal, and other business conditions; however, none of the principal plants is substantially idle. The Company's plants, including approved expansions, generally have sufficient capacity for existing needs and expected near-term growth. These plants are generally well maintained, in good operating condition, and suitable and adequate for their use. Unless otherwise indicated, all properties are owned. Corporate headquarters are in Kingsport, Tennessee. The Company has major business offices in Shanghai, China; Rotterdam, the Netherlands; Singapore; and Zug, Switzerland.

The locations and general character of the Company's manufacturing facilities are:

	Segment using manufacturing location			
Location	**Advanced Materials**	**Additives & Functional Products**	**Chemical Intermediates**	**Fibers**
USA				
Alvin, Texas [1]		x		
Anniston, Alabama		x		
Axton, Virginia	x			
Chestertown, Maryland		x	x	
Columbia, South Carolina [1]	x			
Fieldale, Virginia	x			
Kingsport, Tennessee	x	x	x	x
Linden, New Jersey		x		
Longview, Texas	x	x	x	
Martinsville, Virginia	x			
Pace, Florida [2]		x		
Springfield, Massachusetts	x			
St. Gabriel, Louisiana		x		
Sun Prairie, Wisconsin	x			
Texas City, Texas [1]			x	
Watertown, New York				x
Europe				
Antwerp, Belgium [1]	x			
Ghent, Belgium [3]	x	x	x	
Kohtla-Järve, Estonia		x	x	
Oulu, Finland [2]		x	x	
Dresden, Germany	x			
Leuna, Germany		x		
Marl, Germany [2]		x		
Avila, Spain		x		
Newport, Wales	x	x		

(1) Eastman maintains an operating agreement with a third party that operates Eastman's manufacturing assets at the site.
(2) Eastman leases from a third party and operates the site.
(3) Eastman has more than one manufacturing facility at this location.

Location	Segment using manufacturing location			
	Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers
Asia Pacific				
Dalian, China	x			
Nanjing, China		x		
Suzhou, China (1)(2)(3)	x	x		
Wuhan, China (4)			x	
Zibo, China (5)		x	x	
Ulsan, Korea (6)				x
Kuantan, Malaysia (1)	x			
Latin America				
Mauá, Brazil			x	
Santo Toribio, Mexico	x			

(1) Eastman leases from a third party and operates the site.
(2) Eastman has more than one manufacturing facility at this location.
(3) Eastman holds a 60 percent share of Solutia Therminol Co., Ltd. Suzhou in the Additives and Functional Products segment.
(4) Eastman holds a 51 percent share of Eastman Specialties Wuhan Youji Chemical Co., Ltd.
(5) Eastman holds a 51 percent share of Qilu Eastman Specialty Chemical, Ltd.
(6) Eastman holds an 80 percent share of Eastman Fibers Korea Limited.

Eastman has 50 percent or less ownership in joint ventures that have manufacturing facilities at the following locations:

Location	Segment using manufacturing location			
	Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers
USA				
Kingsport, Tennessee			x	
Asia Pacific				
Hefei, China				x
Shenzhen, China	x			

Eastman has distribution facilities at all of its plant sites. In addition, the Company owns or leases approximately 200 stand-alone distribution facilities in approximately 30 countries. The Company also maintains technical service centers around the world.

A summary of properties, classified by type, is included in Note 4, "Properties and Accumulated Depreciation", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

ITEM 3. LEGAL PROCEEDINGS

General

From time to time, Eastman and its operations are parties to, or targets of, lawsuits, claims, investigations, and proceedings, including product liability, personal injury, asbestos, patent and intellectual property, commercial, contract, environmental, antitrust, health and safety, and employment matters, which are handled and defended in the ordinary course of business. While the Company is unable to predict the outcome of these matters, it does not believe, based upon currently available facts, that the ultimate resolution of any such pending matters will have a material adverse effect on its overall financial condition, results of operations, or cash flows. Consistent with the requirements of Regulation S-K, Item 103, the Company's threshold for disclosing any environmental legal proceeding involving a governmental authority is potential monetary sanctions that management believes will meet or exceed $1 million.

Solutia Legacy Torts Claims Litigation

Pursuant to an Amended and Restated Settlement Agreement effective February 28, 2008 between Solutia Inc. ("Solutia") and Monsanto Company ("Monsanto") in connection with Solutia's emergence from Chapter 11 bankruptcy proceedings (the "Monsanto Settlement Agreement"), Monsanto is responsible for the defense and indemnification of Solutia against any Legacy Tort Claims (as defined in the Monsanto Settlement Agreement) and Solutia has agreed to retain responsibility for certain tort claims, if any, that may arise from Solutia's conduct after its spinoff from Pharmacia Corporation (f/k/a Monsanto), which occurred on September 1, 1997. Solutia, which became a wholly-owned subsidiary of Eastman upon Eastman's acquisition of Solutia in July 2012, has been named as a defendant in several such proceedings, and has submitted the matters to Monsanto, which was acquired by Bayer AG in June 2018, as Legacy Tort Claims. To the extent these matters are not within the meaning of Legacy Tort Claims, Solutia could potentially be liable thereunder. In connection with the completion of its acquisition of Solutia, Eastman guaranteed the obligations of Solutia and Eastman was added as an indemnified party under the Monsanto Settlement Agreement.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) Eastman's common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "EMN".

As of December 31, 2024, there were 115,168,382 shares of Eastman's common stock issued and outstanding, which shares were held by 10,132 stockholders of record. These shares include 50,798 shares held by the Company's charitable foundation.

See "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters - Securities Authorized for Issuance Under Equity Compensation Plans" in Part III, Item 12 of this Annual Report for the information required by Item 201(d) of Regulation S-K.

(b) Not applicable.

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

In December 2021, the Company's Board of Directors authorized the repurchase of up to $2.5 billion of the Company's outstanding common stock at such times, in such amounts, and on such terms, as determined by management to be in the best interest of the Company and its stockholders (the "2021 authorization"). As of December 31, 2024, a total of 11,612,158 shares have been repurchased under the 2021 authorization for $1.1 billion. Both dividends and share repurchases are key strategies employed by the Company to return value to its stockholders.

During 2024, the Company repurchased 3,001,409 shares of common stock for $300 million.

For additional information, see Note 15, "Stockholders' Equity", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Publicly Announced Plan or Program
October 1-31, 2024	—	$—	—	$1.515 billion
November 1-30, 2024	554,243	$102.39	554,243	$1.458 billion
December 1-31, 2024	428,892	$100.98	428,892	$1.415 billion
Total	983,135	$101.72	983,135	

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is based upon the consolidated financial statements of Eastman Chemical Company ("Eastman" or the "Company"), which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), and should be read in conjunction with the Company's consolidated financial statements and related notes, included in Part II, Item 8 of this Annual Report on Form 10-K (this "Annual Report"). All references to earnings per share ("EPS") contained in this report are to diluted EPS unless otherwise noted. EBIT is the GAAP measure earnings before interest and taxes. For a discussion of the year ended December 31, 2023, compared to the year ended December 31, 2022, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of Eastman's Annual Report on Form 10-K for the year ended December 31, 2023.

CRITICAL ACCOUNTING ESTIMATES

In preparing the consolidated financial statements in conformity with GAAP, management must make decisions which impact the reported amounts and the related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and assumptions on which to base estimates and judgments that affect the reported amounts of assets, liabilities, sales revenue and expenses, fair value of disposal groups, and related disclosure of contingent assets and liabilities. On an ongoing basis, Eastman evaluates its estimates, including those related to impairment of long-lived assets, environmental costs, pension and other postretirement benefits, and income taxes. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes the critical accounting estimates described below are the most important to the fair presentation of the Company's financial condition and results. These estimates require management's most significant judgments in the preparation of the Company's consolidated financial statements.

Impairment of Long-Lived Assets

Definite-lived Assets

Properties and equipment and definite-lived intangible assets to be held and used by Eastman are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The review of properties and equipment and the review of definite-lived intangible assets is performed at the asset group level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If the carrying amount is not considered to be recoverable, an analysis of potential impairment is triggered. An impairment is recognized for the excess of the carrying amount of the asset over the estimated fair value. The Company's assumptions to estimate cash flows in the evaluation of impairment related to long-lived assets are subject to change and impairments may be required in the future resulting in a charge to earnings.

Goodwill

Goodwill is an asset determined as the residual of the purchase price over the fair value of identified assets and liabilities acquired in a business combination. Eastman conducts testing of goodwill for impairment annually in the fourth quarter or more frequently when events and circumstances indicate an impairment may have occurred. The testing of goodwill is performed at the "reporting unit" level which the Company has determined to be its "components". Components are defined as an operating segment or one level below an operating segment, and in order to be a reporting unit, the component must 1) be a "business" as defined by applicable accounting standards (an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to the investors or other owners, members, or participants); 2) have discrete financial information available; and 3) be reviewed regularly by Company operating segment management. The Company aggregates certain components into reporting units based on economic similarities.

An impairment is recognized when the reporting unit's estimated fair value is less than its carrying value. The Company elected to perform a qualitative impairment assessment of goodwill in 2024. The qualitative assessment identified three reporting units where a quantitative assessment was needed to confirm that goodwill was not impaired. For those reporting units, the Company used an income approach, specifically a discounted cash flow model, in testing the carrying value of goodwill for each reporting unit for impairment. Key assumptions and estimates used in the Company's 2024 goodwill impairment testing included projections of revenues and EBIT determined using the Company's annual multi-year strategic plan, the estimated weighted average cost of capital ("WACC"), and projected long-term growth rates. The Company believes these assumptions are consistent with those a hypothetical market participant would use given circumstances that were present at the time the estimates were made. However, actual results and amounts may be significantly different from the Company's estimates. In addition, the use of different estimates or assumptions could result in materially different estimated fair values of reporting units. The WACC is calculated incorporating weighted average returns on debt and equity from market participants. Therefore, changes in the market, which are beyond the control of the Company, may have an impact on future estimates of fair value.

The Company had $3.6 billion of goodwill as of December 31, 2024. As a result of the goodwill impairment testing performed during fourth quarter 2024, fair values were determined to exceed the carrying values for each reporting unit tested. Declines in market conditions or forecasted revenue and EBIT could result in a future impairment of goodwill.

Indefinite-lived Intangible Assets

Indefinite-lived intangible assets, consisting primarily of tradenames, are tested for potential impairment by comparing the estimated fair value to the carrying amount. The Company elected to perform a qualitative impairment assessment of indefinite-lived intangible assets in 2024. The qualitative assessment did not identify indicators of impairment, and it was determined that it is more likely than not the fair value of indefinite-lived intangible assets was greater than their carrying value. When a quantitative impairment assessment is performed, the Company uses an income approach, specifically the relief from royalty method, to test indefinite-lived intangible assets for potential impairment. The estimated fair value of tradenames is determined based on projections of revenue and an assumed royalty rate savings, discounted by the calculated market participant WACC plus a risk premium. The Company had $349 million in indefinite-lived intangible assets at December 31, 2024. There was no impairment of the Company's indefinite-lived intangible assets as a result of the tests performed during fourth quarter 2024. Declines in market conditions or forecasted revenue could result in a future impairment of indefinite-lived intangible assets.

The Company will continue to monitor both goodwill and indefinite-lived intangible assets for any indication of events which might require additional testing before the next annual impairment test and could result in material impairment charges.

For additional information related to impairment of long-lived assets, see Note 1, "Significant Accounting Policies", Note 4, "Properties and Accumulated Depreciation", Note 5, "Goodwill and Other Intangible Assets", and Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Environmental Costs

Eastman recognizes environmental remediation costs when it is probable that the Company has incurred a liability at a contaminated site and the amount can be reasonably estimated. When a single amount cannot be reasonably estimated but the cost can be estimated within a range, the Company recognizes the minimum undiscounted amount. This undiscounted amount reflects liabilities expected to be paid within approximately 30 years and the Company's assumptions about remediation requirements at the contaminated site, the nature of the remedy, the outcome of discussions with regulatory agencies and other potentially responsible parties at multi-party sites, and the number and financial viability of other potentially responsible parties. Changes in the estimates on which the accruals are based, unanticipated government enforcement action, or changes in health, safety, environmental, and chemical control regulations and testing requirements could result in higher or lower costs. Estimated future environmental expenditures for undiscounted remediation costs ranged from $252 million to $495 million with a best estimate or minimum of $252 million at December 31, 2024. The best estimate or minimum estimated future environmental expenditures are considered to be probable and reasonably estimable and include the amounts recognized at December 31, 2024.

For additional information, see Note 13, "Environmental Matters and Asset Retirement Obligations", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Pension and Other Postretirement Benefits

Eastman maintains defined benefit pension and other postretirement benefit plans that provide eligible employees with retirement benefits. The estimated amounts of the costs and obligations related to these benefits primarily reflect the Company's assumptions related to discount rates and expected return on plan assets. For the Company's U.S. and non-U.S. defined benefit pension plans, the Company assumed weighted average discount rates of 5.64 percent and 4.40 percent, respectively, and weighted average expected returns on plan assets of 7.50 percent and 5.01 percent, respectively, at December 31, 2024. The Company assumed a weighted average discount rate of 5.60 percent for its other postretirement benefit plans at December 31, 2024. The estimated cost of providing plan benefits also depends on demographic assumptions including retirements, mortality, turnover, and plan participation.

The projected benefit obligation as of December 31, 2024 and expense for 2025 are affected by year-end 2024 assumptions. The following table illustrates the sensitivity to changes in the Company's long-term assumptions in the assumed discount rate and expected return on plan assets for all pension and other postretirement benefit plans. The sensitivities below are specific to the time periods noted. They also may not be additive, so the impact of changing multiple factors simultaneously cannot be calculated by combining the individual sensitivities shown.

Change in Assumption	Impact on 2025 Pre-tax Benefits Expense (Excludes mark-to-market impact) for Pension Plans	Impact on December 31, 2024 Projected Benefit Obligation for Pension Plans		Impact on 2025 Pre-tax Benefits Expense (Excludes mark-to-market impact) for Other Postretirement Benefit Plans	Impact on December 31, 2024 Benefit Obligation for Other Postretirement Benefit Plans
		U.S.	Non-U.S.		
25 basis point decrease in discount rate	$-1 Million	$+28 Million	$+21 Million	$-1 Million	$+8 Million
25 basis point increase in discount rate	$+1 Million	$-27 Million	$-19 Million	$+1 Million	$-8 Million
25 basis point decrease in expected return on plan assets	$+4 Million	No Impact	No Impact	<+$0.5 Million	No Impact
25 basis point increase in expected return on plan assets	$-4 Million	No Impact	No Impact	<-$0.5 Million	No Impact

The assumed discount rate and expected return on plan assets used to calculate the Company's pension and other postretirement benefit obligations are established each December 31. The assumed discount rate is based upon a portfolio of high-grade corporate bonds, which are used to develop a yield curve. This yield curve is applied to the expected cash flows of the pension and other postretirement benefit obligations. Because future health care benefits under the U.S. benefit plan have been fixed at a certain contribution amount, changes in the health care cost trend assumptions do not have a material impact on results of operations. The expected return on plan assets is based upon prior performance and the long-term expected returns in the markets in which the plans invest their funds, primarily in U.S. and non-U.S. fixed income securities, U.S. and non-U.S. public equity securities, private equity, and real estate. Moreover, the expected return on plan assets is a long-term assumption and on average is expected to approximate the actual return on plan assets. Actual returns will be subject to year-to-year variances and could vary materially from assumptions.

The Company calculates service and interest cost components of net periodic benefit costs for its significant defined benefit pension and other postretirement benefit plans by applying the specific spot rates along the yield curve to the plans' projected cash flows. This cost approach does not affect the measurement of the total benefit obligation or the annual net periodic benefit cost or credit of the plans because the change in the service and interest costs will be offset in the mark-to-market ("MTM") actuarial gain or loss. The MTM gain or loss, as described in the next paragraph, is typically recognized in the fourth quarter of each year or in any other quarters in which an interim remeasurement is triggered.

The Company uses fair value accounting for plan assets. If actual experience differs from actuarial assumptions, primarily discount rates and long-term assumptions for asset returns which were used in determining the current year expense, the difference is recognized as part of the MTM net gain or loss in fourth quarter each year, and any other quarter in which an interim remeasurement is triggered. See the calculation of the MTM pension and other post-retirement benefits (gain) loss table below in "NON-GAAP FINANCIAL MEASURES - Non-GAAP Financial Measures - Non-Core and Unusual Items Excluded from Earnings".

While changes in obligations do not correspond directly to cash funding requirements, it is an indication of the amount the Company will be required to contribute to the plans in future years. The amount and timing of such cash contributions is dependent upon interest rates, actual returns on plan assets, retirements, attrition rates of employees, and other factors.

For further information regarding pension and other postretirement benefit obligations, see Note 11, "Retirement Plans", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Income Taxes

Amounts of deferred tax assets and liabilities on Eastman's Consolidated Statements of Financial Position are based on temporary differences between the financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. The ability to realize deferred tax assets is evaluated through the forecasting of taxable income, using historical and projected future operating results, the reversal of existing temporary differences, and the availability of tax planning opportunities. Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. In the event that the actual outcome of future tax consequences differs from management estimates and assumptions, the resulting change to the provision for income taxes could have a material impact on the consolidated results of operations and statements of financial position. As of December 31, 2024, valuation allowances of $686 million have been provided against certain deferred tax assets.

The calculation of income tax liabilities involves uncertainties in the application of complex tax laws and regulations, which are subject to legal interpretation and management judgment. Eastman's income tax returns are regularly examined by federal, state and foreign tax authorities, and those audits may result in proposed adjustments which could result in additional income tax liabilities and income tax expense. Income tax expense could be materially impacted to the extent the Company prevails in a tax position, when the statute of limitations expires for a tax position for which there is an established liability for unrecognized tax benefits, or to the extent payments are required in excess of the established liability for unrecognized tax benefits.

For further information, see Note 8, "Income Taxes", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures, and the accompanying reconciliations of the non-GAAP financial measures to the most comparable GAAP measures, are presented below in this section and in "Overview", "Results of Operations", "Summary by Operating Segment", and "Liquidity and Other Financial Information - Cash Flows" in this MD&A.

Management discloses non-GAAP financial measures, and the related reconciliations to the most comparable GAAP financial measures, because it believes investors use these metrics in evaluating longer term period-over-period performance, and to allow investors to better understand and evaluate the information used by management to assess the Company's and its operating segments' performances, make resource allocation decisions, and evaluate organizational and individual performances in determining certain performance-based compensation. Non-GAAP financial measures do not have definitions under GAAP, and may be defined differently by, and not be comparable to, similarly titled measures used by other companies. As a result, management cautions investors not to place undue reliance on any non-GAAP financial measure, but to consider such measures alongside the most directly comparable GAAP financial measure.

Company Use of Non-GAAP Financial Measures

Non-Core Items and any Unusual or Non-Recurring Items Excluded from Non-GAAP Earnings

In addition to evaluating Eastman's financial condition, results of operations, liquidity, and cash flows as reported in accordance with GAAP, management evaluates Company and operating segment performance, and makes resource allocation and performance evaluation decisions, excluding the effect of transactions, costs, and losses or gains that do not directly result from Eastman's normal, or "core", business and operations, or are otherwise of an unusual or non-recurring nature.

- Non-core transactions, costs, and losses or gains relate to, among other things, cost reductions, growth and profitability improvement initiatives, changes in businesses and assets, and other events outside of the Company's core business operations, and have included asset impairments, restructuring, and other charges and gains, costs of and related to acquisitions, gains and losses from and costs related to dispositions, closures, or shutdowns of businesses or assets, financing transaction costs, environmental and other costs related to previously divested businesses or non-operational sites and product lines, and mark-to-market losses or gains for pension and other postretirement benefit plans.
- In 2023, the Company recognized unusual insurance proceeds, net of costs, from the previously reported January 31, 2022 operational incident at its Kingsport site as a result of a steam line failure (the "steam line incident"). Management considered the operational incident unusual because of the Company's operational and safety history and the magnitude of the unplanned disruption.

Because non-core, unusual, or non-recurring transactions, costs, and losses or gains may materially affect the Company's, or any particular operating segment's, financial condition or results in a specific period in which they are recognized, management believes it is appropriate to evaluate the financial measures prepared and calculated in accordance with both GAAP and the related non-GAAP financial measures excluding the effect on the Company's results of these non-core, unusual, or non-recurring items. In addition to using such measures to evaluate results in a specific period, management evaluates such non-GAAP measures, and believes that investors may also evaluate such measures, because such measures may provide more complete and consistent comparisons of the Company's, and its segments', operational performance on a period-over-period historical basis and, as a result, provide a better indication of expected future trends.

Non-GAAP Debt Measure

Eastman from time to time evaluates and discloses to investors and securities and credit analysts the non-GAAP debt measure "net debt", which management defines as total borrowings less cash and cash equivalents. Management believes this metric is useful to investors and securities and credit analysts to provide them with information similar to that used by management in evaluating the Company's overall financial position, liquidity, and leverage and because management believes investors, securities analysts, credit analysts and rating agencies, and lenders often use a similar measure to assess and compare companies' relative financial position and liquidity.

Non-GAAP Measures in this Annual Report

The following non-core items are excluded by management in its evaluation of certain earnings results in this Annual Report:

- Asset impairments, restructuring, and other charges, net;
- Cost of sales impact from restructuring activities;
- Mark-to-market pension and other postretirement benefit plans gains and losses resulting from the changes in discount rates and other actuarial assumptions and the difference between actual and expected returns on plan assets during the period;
- Environmental and other costs from previously divested or non-operational sites and product lines; and
- Net gain on divested business.

The following unusual items are excluded by management in its evaluation of certain earnings results in this Annual Report:

- Steam line incident (insurance proceeds) costs, net; and
- Income tax expense associated with a previously divested business.

As described above, the alternative non-GAAP measure of debt, "net debt", is also presented in this Annual Report.

Non-GAAP Financial Measures - Non-Core and Unusual Items Excluded from Earnings

(Dollars in millions)	2024	2023
Non-core items impacting EBIT:		
Cost of sales impact from restructuring activities	$ 7	$ 23
Asset impairments, restructuring, and other charges, net	51	37
Mark-to-market pension and other postretirement benefits (gain) loss, net	(54)	53
Environmental and other costs	16	13
Net gain on divested business	—	(323)
Unusual item impacting EBIT:		
Steam line incident (insurance proceeds) costs, net	—	(8)
Total non-core and unusual items impacting EBIT	20	(205)
Less: Items impacting provision for income taxes:		
Tax effect for non-core and unusual items	1	(74)
Tax expense associated with previously divested business	(7)	—
Total items impacting provision for income taxes	(6)	(74)
Total items impacting net earnings attributable to Eastman	$ 26	$ (131)

Below is the calculation of the "Other components of post-employment (benefit) cost, net" that are not included in the above non-core item "mark-to-market pension and other postretirement benefits loss (gain), net" and that are included in the non-GAAP results.

(Dollars in millions)	2024	2023
Other components of post-employment (benefit) cost, net	$ (72)	$ 41
Service cost	30	30
Net periodic benefit (credit) cost	(42)	71
Less: Mark-to-market pension and other postretirement benefits (gain) loss, net	(54)	53
Components of post-employment (benefit) cost, net included in non-GAAP earnings measures	$ 12	$ 18

Below is the calculation of the MTM pension and other post-retirement benefits (gain) loss disclosed above.

(Dollars in millions)	2024		2023	
Actual return and percentage of return on assets	$ 81	4 %	$ 140	7 %
Less: expected return on assets	128	6 %	114	6 %
Mark-to-market gain (loss) on assets	(47)		26	
Actuarial (loss) gain [(1)]	101		(79)	
Total mark-to-market (loss) gain	$ 54		$ (53)	
Global weighted-average assumed discount rate for year ended December 31:	5.33 %		4.87 %	

(1) Actuarial (loss) gain resulted primarily from the change in discount rates from the prior year and changes in other actuarial assumptions.

For more detail about MTM pension and other postretirement benefit plans net gains and losses, including actual and expected return on plan assets and the components of the net gain or loss, see "Critical Accounting Estimates - Pension and Other Postretirement Benefits" above, and Note 11, "Retirement Plans", "Summary of Changes - Actuarial (gain) loss, Actual return on plan assets, and Reserve for third party contributions", and "Summary of Benefit Costs and Other Amounts Recognized in Other Comprehensive Income - Mark-to-market pension and other postretirement benefits (gain) loss, net" to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

This MD&A includes the effect of the foregoing on the following GAAP financial measures:

- Gross profit,
- Other components of post-employment (benefit) cost, net,
- Other (income) charges, net,
- EBIT,
- Provision for income taxes,
- Net earnings attributable to Eastman,
- Diluted EPS, and
- Total borrowings.

Other Non-GAAP Financial Measures

Adjusted Tax Rate and Provision for Income Taxes

In interim periods, Eastman discloses non-GAAP earnings with an adjusted effective tax rate and a resulting adjusted provision for income taxes using the Company's forecasted tax rate for the full year as of the end of the interim period. The adjusted effective tax rate and resulting adjusted provision for income taxes are equal to the Company's projected full year effective tax rate and provision for income taxes on earnings excluding non-core, unusual, or non-recurring items for completed periods. The adjusted effective tax rate and resulting adjusted provision for income taxes may fluctuate during the year for changes in events and circumstances that change the Company's forecasted annual effective tax rate and resulting provision for income taxes excluding non-core, unusual, or non-recurring items. Management discloses this adjusted effective tax rate, and the related reconciliation to the GAAP effective tax rate, to provide investors more complete and consistent comparisons of the Company's operational performance on a period-over-period interim basis and on the same basis as management evaluates quarterly financial results to provide a better indication of expected full year results.

Alternative Non-GAAP Cash Flow Measures

In addition to the non-GAAP measures presented in this Annual Report and other periodic reports, management may occasionally evaluate and disclose to investors and securities analysts the non-GAAP measure cash provided by or used in operating activities excluding certain non-core, unusual, or non-recurring sources or uses of cash or including cash from or used by activities that are managed as part of core business operations ("adjusted cash provided by or used in operating activities") when analyzing, among other things, business performance, liquidity and financial position, and performance-based compensation. Management has used this non-GAAP measure in conjunction with the GAAP measure cash provided by or used in operating activities because it believes it is an appropriate metric to evaluate the cash flows from Eastman's core operations that are available for organic and inorganic growth initiatives and because it allows for a more consistent period-over-period presentation of such amounts. In its evaluation, management generally excludes the impact of certain non-core and unusual activities and decisions of management that it does not consider core, ongoing components of operations and the decisions to undertake or not to undertake such activities may be made irrespective of the cash generated from operations, and generally includes cash from or used in activities that are managed as operating activities and in business operating decisions. Management has disclosed this non-GAAP measure and the related reconciliation to investors, securities analysts, credit analysts and rating agencies, and lenders to allow them to better understand and evaluate the information used by management in its decision-making processes and because management believes investors and securities analysts use similar measures to assess Company performance, liquidity, and financial position over multiple periods and to compare these with other companies.

From time to time, Eastman may evaluate and disclose to investors and securities analysts an alternative non-GAAP measure of "free cash flow", which management defines as net cash provided by or used in operating activities less the amount of net capital expenditures (typically the GAAP measure additions to properties and equipment, net of government incentives). In addition, Eastman may disclose to investors and securities analysts an alternative non-GAAP measure of "free cash flow yield", which management defines as annual free cash flow divided by the Company's market capitalization, and "free cash flow conversion", which management defines as annual free cash flow divided by adjusted net income. Management believes these metrics can be useful to investors and securities analysts in comparing cash flow generation with that of peer and other companies.

Alternative Non-GAAP Earnings Measures

From time to time, Eastman may also disclose to investors and securities analysts the non-GAAP earnings measures "Adjusted EBIT Margin", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Return on Invested Capital" (or "ROIC"), and "Adjusted ROIC". Management defines Adjusted EBIT Margin as the GAAP measure EBIT adjusted to exclude the same non-core, unusual, or non-recurring items as are excluded from the Company's other non-GAAP earnings measures for the same periods divided by the GAAP measure sales revenue in the Company's Consolidated Statement of Earnings, Comprehensive Income and Retained Earnings for the same periods. Adjusted EBITDA is EBITDA (net earnings before interest, taxes, depreciation and amortization) adjusted to exclude the same non-core, unusual, or non-recurring items as are excluded from the Company's other non-GAAP earnings measures for the same periods. Adjusted EBITDA Margin is Adjusted EBITDA divided by the GAAP measure sales revenue in the Company's Consolidated Statement of Earnings, Comprehensive Income and Retained Earnings for the same periods. Management defines ROIC as net earnings plus interest expense after tax divided by average total borrowings plus average stockholders' equity for the periods presented, each derived from the GAAP measures in the Company's financial statements for the periods presented. Adjusted ROIC is ROIC adjusted to exclude from net earnings the same non-core, unusual, or non-recurring items as are excluded from the Company's other non-GAAP earnings measures for the same periods. Management believes that Adjusted EBIT Margin, Adjusted EBITDA, Adjusted EBITDA Margin, ROIC, and Adjusted ROIC are useful as supplemental measures in evaluating the performance of and returns from Eastman's operating businesses, and from time to time uses such measures in internal performance calculations. Further, management understands that investors and securities analysts often use similar measures of Adjusted EBIT Margin, Adjusted EBITDA, Adjusted EBITDA Margin, ROIC, and Adjusted ROIC to compare the results, returns, and value of the Company with those of peer and other companies.

OVERVIEW

Eastman's products and operations are managed and reported in four operating segments: Advanced Materials ("AM"), Additives & Functional Products ("AFP"), Chemical Intermediates ("CI"), and Fibers. Eastman uses an innovation-driven growth model which consists of leveraging world class scalable technology platforms, delivering differentiated application development capabilities, and relentlessly engaging the market. The Company's world class technology platforms form the foundation of sustainable growth by differentiated products through significant scale advantages in research and development ("R&D") and advantaged global market access. Molecular recycling technologies continue to be an area of investment focus for the Company and extends the level of differentiation afforded by its world class technology platforms. Differentiated application development converts market complexity into opportunities for growth and accelerates innovation by enabling a deeper understanding of the value of Eastman's products and how they perform within customers' and end-user products. Key areas of application development include thermoplastic conversion, functional films, coatings formulations, textiles, and personal and home care formulations. The Company engages the market by working directly with customers and downstream users, targeting attractive niche markets, and leveraging disruptive macro trends. Management believes that these elements of the Company's innovation-driven growth model, combined with disciplined portfolio management and balanced capital deployment, will result in consistent, sustainable earnings growth and strong cash flow from operations.

Sales, EBIT, and EBIT excluding non-core and unusual items were as follows:

(Dollars in millions)	2024	2023
Sales	$ 9,382	$ 9,210
Earnings before interest and taxes	1,278	1,302
Earnings before interest and taxes excluding non-core and unusual items	1,298	1,097

Sales revenue increased in 2024 compared to 2023 due to higher sales volume partially offset by lower selling prices. Higher sales volume was primarily attributed to the end of customer inventory destocking in most end-markets and innovation-driven growth above end-market demand. Lower selling prices were primarily attributed to lower raw material and energy prices. EBIT excluding non-core and unusual items increased in 2024 compared to 2023 primarily due to higher sales volume, including higher capacity utilization, and lower raw material and energy costs, net of lower selling prices.

Further discussion of sales revenue and EBIT changes is presented in "Results of Operations" and "Summary by Operating Segment" in this MD&A.

Net earnings and EPS and adjusted net earnings and EPS were as follows:

	2024		2023	
(Dollars in millions, except diluted EPS)	$	EPS	$	EPS
Net earnings attributable to Eastman	$ 905	$ 7.67	$ 894	$ 7.49
Total non-core and unusual items, net of tax	26	0.22	(131)	(1.09)
Net earnings attributable to Eastman excluding non-core and unusual items	$ 931	$ 7.89	$ 763	$ 6.40

The Company generated $1.3 billion and $1.4 billion of cash from operating activities in 2024 and 2023, respectively.

RESULTS OF OPERATIONS

Eastman's results of operations as presented in the Company's consolidated financial statements in Part II, Item 8 of this Annual Report are summarized and analyzed below.

Sales

(Dollars in millions)	2024	2023	Change
Sales	$ 9,382	$ 9,210	2 %
Volume / product mix effect			4 %
Price effect			(2)%
Exchange rate effect			— %

Sales revenue increased as a result of increases in the AM, AFP, and Fibers segments, partially offset by a decrease in the CI segment. Further discussion by operating segments is presented in "Summary of Operating Segment" in this MD&A.

Gross Profit

(Dollars in millions)	2024	2023	Change
Gross profit	$ 2,290	$ 2,061	11 %
Costs of sales impact from restructuring activities	7	23	
Steam line incident (insurance proceeds) costs, net	—	(8)	
Gross profit excluding non-core and unusual items	$ 2,297	$ 2,076	11 %

Gross profit in 2024 included inventory adjustments related to the planned closure of a solvent-based resins production line at an advanced interlayers facility in North America. Gross profit in 2023 included insurance proceeds from the steam line incident, and accelerated depreciation resulting from the closure of an acetate yarn manufacturing facility in Europe.

Excluding these non-core and unusual items, gross profit increased as a result of increases in the AM, AFP, and Fibers segments, partially offset by a decrease in the CI segment. Further discussion of sales revenue and EBIT changes is presented in "Summary by Operating Segment" in this MD&A.

Selling, General and Administrative Expenses

(Dollars in millions)	2024	2023	Change
Selling, general and administrative expenses	$ 736	$ 727	1 %

Selling, general and administrative ("SG&A") expense increased in 2024 compared to 2023 primarily as a result of higher variable compensation costs, partially offset by cost reduction initiatives.

Research and Development Expenses

(Dollars in millions)	2024	2023	Change
Research and development expenses	$ 250	$ 239	5 %

R&D expenses increased in 2024 compared to 2023 primarily due to strategic investment in innovation.

Asset Impairments. Restructuring, and Other Charges, Net

(Dollars in millions)	2024	2023
Asset impairments	5	—
Severance charges	25	31
Site closure and other charges	21	6
Total	$ 51	$ 37

For detailed information regarding asset impairments, restructuring, and other charges, net see Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Other Components of Post-employment (Benefit) Cost, Net

(Dollars in millions)	2024	2023	Change
Other components of post-employment (benefit) cost, net	$ (72)	$ 41	>100%
Mark-to-market pension and other postretirement benefit gain (loss), net	54	(53)	
Other components of post-employment (benefit) cost, net excluding non-core item	$ (18)	$ (12)	50 %

For more information regarding "Other components of post-employment (benefit) cost, net" see Note 1, "Significant Accounting Policies", and Note 11, "Retirement Plans", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Other (Income) Charges, Net

(Dollars in millions)	2024	2023
Foreign exchange transaction losses (gains), net	$ 11	$ 11
(Income) loss from equity investments and other investment (gains) losses, net	—	(10)
Other, net	36	37
Other (income) charges, net	$ 47	$ 38
Environmental and other costs	(16)	(13)
Other (income) charges, net excluding non-core items	$ 31	$ 25

Other (income) charges, net in 2024 and 2023 included environmental and other costs related to previously divested businesses or non-operational sites and product lines. Excluding these non-core items, Other (income) charges, net increased in 2024 compared to 2023 primarily due to the absence of gains on investments in 2024. For more information regarding components of foreign exchange transaction losses, see Note 10, "Derivative and Non-Derivative Financial Instruments", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Earnings Before Interest and Taxes

(Dollars in millions)	2024	2023	Change
EBIT	$ 1,278	$ 1,302	(2)%
Cost of sales impact from restructuring activities	7	23	
Steam line incident (insurance proceeds) costs, net	—	(8)	
Asset impairments, restructuring, and other charges, net	51	37	
Mark-to-market pension and other postretirement benefit (gain) loss, net	(54)	53	
Environmental and other costs	16	13	
Net gain on divested business	—	(323)	
EBIT excluding non-core and unusual items	$ 1,298	$ 1,097	18 %

For more information regarding items that impact EBIT, see "Overview", and items described above in "Results of Operations".

Net Interest Expense

(Dollars in millions)	2024	2023	Change
Gross interest expense	$ 233	$ 243	
Less: Capitalized interest	17	18	
Interest Expense	216	225	
Less: Interest income	16	10	
Net interest expense	$ 200	$ 215	(7)%

Net interest expense decreased in 2024 compared to 2023 primarily as a result of lower average interest rates on outstanding debt and higher interest income.

Provision for Income Taxes

(Dollars in millions)	2024		2023	
	$	%	$	%
Provision for income taxes and effective tax rate	$ 170	16 %	$ 191	18 %
Tax provision for non-core and unusual items [1]	1		(74)	
Tax expense associated with previously divested business	(7)		—	
Adjusted provision for income taxes and effective tax rate	$ 164	15 %	$ 117	13 %

(1) Provision for income taxes for non-core and unusual items is calculated using the tax rate for the jurisdiction where the gains are taxable and the expenses are deductible.

Provision for income taxes and effective tax rate in 2024 included tax expense associated with previously divested business. The tax effect of non-core and unusual items were included in both 2024 and 2023. Excluding these items, adjusted provision for income taxes increased in 2024 compared to 2023 primarily as a result of the tax effect of increased adjusted earnings and the foreign rate variance due to the Company's mix of earnings, partially offset by a decrease in the reserves for tax contingencies.

For more information, see Note 8, "Income Taxes", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Net Earnings Attributable to Eastman and Diluted Earnings per Share

	2024		2023	
(Dollars in millions, except per share amounts)	$	EPS	$	EPS
Net earnings and diluted earnings per share attributable to Eastman	$ 905	$ 7.67	$ 894	$ 7.49
Non-core items, net of tax: [1]				
Cost of sales impact from restructuring activities	5	0.04	20	0.17
Asset impairments, restructuring, and other charges, net	41	0.36	32	0.26
Mark-to-market pension and other postretirement benefit (gain) loss, net	(40)	(0.34)	39	0.33
Environmental and other costs	13	0.10	9	0.08
Net gain on divested business	—	—	(225)	(1.88)
Unusual items, net of tax: [1]				
Steam line incident (insurance proceeds) costs, net	—	—	(6)	(0.05)
Tax expense associated with previously divested business	7	0.06	—	—
Adjusted net earnings and diluted earnings per share attributable to Eastman	$ 931	$ 7.89	$ 763	$ 6.40

(1) The provision for income taxes for non-core and unusual items is calculated using the tax rate for the jurisdiction where the gains are taxable and the expenses are deductible.

SUMMARY BY OPERATING SEGMENT

Eastman's products and operations are managed and reported in four operating segments: Advanced Materials ("AM"), Additives & Functional Products ("AFP"), Chemical Intermediates ("CI"), and Fibers. For additional financial and product information for each operating segment, see "Business - Business Segments" in Part I, Item 1 of this Annual Report and Note 20, "Segment and Regional Sales Information", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Advanced Materials Segment

(Dollars in millions)	2024	2023	Change $	Change %
Sales	$ 3,050	$ 2,932	$ 118	4 %
Volume / product mix effect			227	8 %
Price effect			(103)	(4)%
Exchange rate effect			(6)	— %
Earnings before interest and taxes	$ 442	$ 343	$ 99	29 %
Cost of sales impact from restructuring activities	4	—	4	
Asset impairments, restructuring, and other charges, net	18	—	18	
Earnings before interest and taxes excluding non-core item	464	343	121	35 %

Sales revenue increased in 2024 compared to 2023 due to higher sales volume partially offset by lower selling prices. Higher sales volume was primarily attributed to the end of customer inventory destocking across key end-markets, and product growth of premium interlayers products. Lower selling prices were primarily attributed to lower raw material and energy prices.

EBIT in 2024 included asset impairments, restructuring, and other charges, net, and inventory adjustments, related to the planned closure of a solvent-based resins production line. For more information regarding asset impairments, restructuring, and other charges, net, see Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Excluding these non-core items, EBIT increased in 2024 compared to 2023 primarily due to $162 million of higher sales volume, including improved capacity utilization, partially offset by $38 million of higher manufacturing costs associated with Kingsport methanolysis and continued investment in growth.

Initiatives

In 2024, the AM segment:
- achieved key milestones within the Circular Economy platform (see "Corporate Overview - Business Strategy - Sustainability and Circular Economy - Circularity" in Part I, Item 1 of this Annual Report);
- continued adoption of polyester renewal technology for products, including Tritan™ Renew, Cristal™ Renew, and Cristal™ One Renew across several end-markets, including cosmetic packaging, eyewear, and power tools;
- continued to expand portfolio of differentiated post-applied window films and protective films for automotive and architectural applications, including LLumar™ Protective Wrap Film which integrates the look of car wraps with the resilience of paint protection film, helping elevate vehicle protection; and
- launched Saflex™ LiteCarbon Clear, a premium polyvinyl butyral interlayer that reduces the embodied carbon of laminated glass elements while maintaining the construction of safe buildings, and Saflex Evoca™, a new platform designed to upgrade the glazing potential in electric vehicles that offers acoustic, solar or color options to assist in electric vehicle design.

Additives & Functional Products Segment

(Dollars in millions)	2024	2023	Change $	Change %
Sales	$ 2,862	$ 2,834	$ 28	1 %
Volume / product mix effect			115	4 %
Price effect			(89)	(3)%
Exchange rate effect			2	— %
Earnings before interest and taxes	$ 487	$ 436	$ 51	12 %
Cost of sales impact from restructuring activities	3	—	3	
Earnings before interest and taxes excluding non-core item	490	436	54	12 %

Sales revenue increased in 2024 compared to 2023 primarily due to higher sales volume, mostly offset by lower selling prices. Higher sales volume was primarily attributed to the end of destocking in the agriculture end-market and growth in certain end-markets, including personal care, aviation, and water treatment. Lower selling prices were primarily attributable to lower raw material prices.

EBIT in 2024 included inventory adjustments related to the planned closure of a solvent-based resins production line. For more information see Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Excluding this non-core item, EBIT increased in 2024 compared to 2023 primarily due to $32 million lower raw material and energy costs and distribution costs, net of lower selling prices and $25 million higher sales volume.

Initiatives

In 2024, the AFP segment:

- launched electronic grade isopropyl alcohol ("IPA"), the latest addition to the EastaPure™ electronic chemicals line, that offers U.S. semiconductor manufacturers a domestically made solvent as reliable in quality as it is in supply;
- introduced Eastman Esmeri™, a biodegradable cellulosic biopolymer non-persistence personal care ingredient delivering consumer expectations with enhanced performance and ecofriendly benefits;
- introduced Solus™, a biodegradable paper coating additive that enhances the end of life of packaging in food service, by co-creating a flexible, food-safe packaging solution with a specialty papers producer; and
- invested in manufacturing capabilities in Europe, Middle East, and Africa and Asia Pacific regions to support market growth for pharmaceutical applications and wastewater treatment market growth, respectively.

Chemical Intermediates Segment

(Dollars in millions)	2024	2023	Change $	Change %
Sales	$ 2,134	$ 2,143	$ (9)	— %
Volume / product mix effect			53	3 %
Price effect			(63)	(3)%
Exchange rate effect			1	— %
Earnings before interest and taxes	$ 101	$ 434	$ (333)	(77)%
Net gain on divested business	—	(323)	323	
Earnings before interest and taxes excluding non-core items	101	111	(10)	(9)%

Sales revenue was relatively unchanged in 2024 compared to 2023 primarily due to lower selling prices being mostly offset by higher sales volume. Lower selling prices were driven by changes in raw material and energy prices. Higher sales volume was primarily attributed to the end of customer inventory destocking across most end-markets.

EBIT in 2023 included a gain on a divested business. For more information regarding the divested business, see Note 2, "Divestitures", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Excluding this non-core item, EBIT decreased in 2024 compared to 2023 primarily due to $46 million lower selling prices and higher raw material costs, net of lower energy costs partially offset by $28 million lower manufacturing and operating costs, and $4 million higher sales volume.

In 2023, the Company completed the sale of its operations located in Texas City, Texas, excluding its plasticizer operations. The total estimated consideration, after post-closing adjustments, was $498 million, which included approximately $415 million in cash at closing, $38.5 million received in 2024, and an additional $38.5 million to be received on the second anniversary of the closing date of the transaction. The final purchase price is subject to working capital and other adjustments post-closing.

Fibers Segment

(Dollars in millions)

	2024	2023	Change $	Change %
Sales	$ 1,318	$ 1,295	$ 23	2 %
Volume / product mix effect			(6)	— %
Price effect			30	2 %
Exchange rate effect			(1)	— %
Earnings before interest and taxes	$ 454	$ 393	$ 61	16 %
Cost of sales impact from restructuring activities	—	23	(23)	
Asset impairments, restructuring, and other charges, net	—	6	(6)	
Earnings before interest and taxes excluding non-core items	454	422	32	8 %

Sales revenue increased in 2024 compared to 2023 primarily due to higher selling prices in the acetate tow product line. Higher sales volume for textiles, attributed to strong growth in Naia™, was offset by a modest decline in acetate tow.

EBIT in 2023 included accelerated depreciation and asset impairments, restructuring, and other charges, net, from a manufacturing facility closure. For more information regarding asset impairments, restructuring, and other charges, net, see Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Excluding this non-core item, EBIT increased in 2024 compared to 2023 primarily due to $48 million higher selling prices, net of lower raw material and energy costs, partially offset by $15 million lower sales volume.

Initiatives

In 2024, the Fibers segment:

- continued to benefit from and execute multi-year raw material and energy cost pass-through contracts across the acetate tow customer base;
- commercialized Naia™ Renew Enhanced Sustainability, an offering sourced from 60 percent recycled content with a global fashion brand known for its sustainability focus; and
- reached over 70 signed trademark licensing agreements with high profile brands ranging from major multinational fashion brands to sustainable champions in outdoor clothing.

Other

(Dollars in millions)	2024	2023
Sales	$ 18	$ 6
Loss before interest and taxes		
Growth initiatives and businesses not allocated to operating segments	$ (208)	$ (198)
Steam line incident insurance proceeds (costs), net	—	8
Asset impairments, restructuring, and other charges, net	(33)	(31)
Pension and other postretirement benefit plans income (expense), net not allocated to operating segments	62	(68)
Other income (charges), net not allocated to operating segments	(27)	(15)
Loss before interest and taxes	$ (206)	$ (304)
Steam line incident (insurance proceeds) costs, net	—	(8)
Asset impairments, restructuring, and other charges, net	33	31
Mark-to-market pension and other postretirement benefits (gain) loss, net	(54)	53
Environmental and other costs	16	13
Loss before interest and taxes excluding non-core and unusual items	(211)	(215)

Sales and costs related to growth initiatives, including the cellulosics biopolymer platform and circular economy, R&D costs, certain components of pension and other postretirement benefits, and other expenses and income not identifiable to an operating segment are included in "Other".

EBIT in 2024 included growth and profitability improvement initiatives, severance charges as part of corporate cost reduction initiatives, and environmental and other costs from previously divested or non-operational sites. EBIT excluding non-core items in 2023 included corporate cost reduction initiatives, insurance proceeds from the steam line incident, and environmental and other costs from previously divested or non-operational sites. For more information regarding Non-GAAP items, see "Non-GAAP Financial Measures" in this MD&A. For more information regarding asset impairments, restructuring, and other charges, net, see Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

SALES BY CUSTOMER LOCATION

	Sales Revenue			
			Change	
(Dollars in millions)	2024	2023	$	%
United States and Canada	$ 3,937	$ 3,938	$ (1)	— %
Europe, Middle East, and Africa	2,571	2,558	13	1 %
Asia Pacific	2,363	2,227	136	6 %
Latin America	511	487	24	5 %
Total	$ 9,382	$ 9,210	$ 172	2 %

Sales revenue increased 2 percent primarily due to higher sales revenue in the Asia Pacific region. Sales revenue increased in the Asia Pacific region due to higher sales volume partially offset by lower selling prices, primarily within the AM segment.

See Note 20, "Segment and Regional Sales Information", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report for segment sales revenues by customer location.

LIQUIDITY AND OTHER FINANCIAL INFORMATION

Cash Flows

The Company had cash and cash equivalents as follows:

(Dollars in millions)	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 837	$ 548

Cash flows from operations, cash and cash equivalents, and other sources of liquidity are expected to be available and sufficient to meet known short and long-term cash requirements. However, the Company's cash flows from operations can be affected by numerous factors including risks associated with global operations, raw material availability and cost, demand for and pricing of Eastman's products, capacity utilization, and other factors described under "Risk Factors" in Part I, Item 1A of this Annual Report. Management believes maintaining a financial profile that supports a solid investment grade credit rating is important to its long-term strategy and financial flexibility.

(Dollars in millions)	For years ended December 31, 2024	2023
Net cash provided by (used in):		
Operating activities	$ 1,287	$ 1,374
Investing activities	(534)	(432)
Financing activities	(454)	(888)
Effect of exchange rate changes on cash and cash equivalents	(10)	1
Net change in cash and cash equivalents	289	55
Cash and cash equivalents at beginning of period	548	493
Cash and cash equivalents at end of period	$ 837	$ 548

Cash provided by operating activities decreased $87 million primarily due to higher working capital and higher variable compensation payout partially offset by higher net earnings excluding a gain on divested business in 2023.

Cash used in investing activities increased $102 million due to lower proceeds from the sale of the Texas City Operations in 2024 compared to 2023 (see "Summary by Operating Segment - Chemical Intermediates" in this MD&A for additional information) partially offset by lower capital expenditures in 2024 and an acquisition in the AM segment in 2023.

Cash used in financing activities decreased $434 million primarily due to higher proceeds, net of repayments, from commercial paper and borrowings partially offset by higher stock repurchases. For additional information, see "Liquidity and Other Financial Information - Debt and Other Commitments" in this MD&A.

Working Capital Management

Eastman applies a proactive and disciplined approach to working capital management to optimize cash flow and to enable a full range of capital allocation options in support of the Company's strategy. Eastman expects to continue utilizing the programs described below to support operating cash flow consistent with the Company's past practices.

The Company engages in off-balance sheet, uncommitted accounts receivable factoring programs as a routine part of its ordinary business operations. Through these programs, entire invoices may be sold to third-party financial institutions, the vast majority of which are without recourse. Under these agreements, the Company sells the invoices at face value, less a transaction fee, which substantially equals the carrying value and fair value with no gain or loss recognized, and no credit loss exposure is retained. Available capacity under these programs, which the Company uses as a routine source of working capital funding, is dependent on the level of accounts receivable eligible to be sold and the financial institutions' willingness to purchase such receivables. The total amounts sold in 2024 and 2023 were $2.7 billion and $2.8 billion, respectively. Based on the original terms of receivables sold for certain programs and actual outstanding balance of receivables under servicing agreements, the Company estimates that $385 million and $397 million of these receivables would have been outstanding as of December 31, 2024 and 2023, respectively, had they not been sold under these factoring programs.

Eastman works with suppliers to optimize payment terms and conditions on accounts payable to enhance timing of working capital and cash flows. The Company has a voluntary supplier finance program to provide suppliers with the opportunity to sell receivables due from Eastman to a participating financial institution. See Note 1, "Significant Accounting Policies", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report for additional information regarding both programs.

Debt and Other Commitments

Eastman has debt and other commitments for debt securities, credit facilities, interest payable, purchase obligations, operating leases, and other liabilities. A summary of the Company's debt and other commitment obligations as of December 31, 2024 for each of the next five years and beyond is included in Note 12, "Leases and Other Commitments", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

At December 31, 2024, Eastman's borrowings totaled $5.0 billion with various maturities. Estimated future payments of debt securities assumes the repayment of principal upon stated maturity, and actual amounts and the timing of such payments may differ materially due to repayment or other changes in the terms of such debt prior to maturity. See Note 9, "Borrowings", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report, for more information regarding total borrowings.

Amounts in other liabilities represent the current estimated cash payments required to be made by the Company primarily for pension and other postretirement benefits, accrued compensation benefits, environmental loss contingency estimates, uncertain tax liabilities, and commodity and foreign exchange hedging in the periods indicated. Due to uncertainties in the timing of the effective settlement of tax positions with taxing authorities, management is unable to determine the timing of payments related to uncertain tax liabilities and these amounts are included in the "2030 and beyond" line item.

The amount and timing of pension and other postretirement benefit payments included in other liabilities is dependent upon interest rates, health care cost trends, actual returns on plan assets, retirement and attrition rates of employees, continuation or modification of the benefit plans, and other factors. Such factors can significantly impact the amount and timing of any future contributions by the Company. Excess contributions are periodically made by management in order to keep the plans' funded status above 80 percent under the funding provisions of the Pension Protection Act to avoid partial benefit restrictions on accelerated forms of payment. The Company's U.S. defined benefit pension plans are not currently under any benefit restrictions. See Note 11, "Retirement Plans", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report, for more information regarding pension and other postretirement benefit obligations.

The resolution of uncertainties related to environmental matters included in other liabilities may have a material adverse effect on the Company's consolidated results of operations in the period recognized, however, because of the availability of legal defenses, the Company's preliminary assessment of actions that may be required, and, if applicable, the expected sharing of costs, management does not believe that the Company's liability for these environmental matters, individually or in the aggregate, will be material to the Company's consolidated financial position, results of operations, or cash flows. See "Environmental Costs" in Note 1, "Significant Accounting Policies", and Note 13, "Environmental Matters and Asset Retirement Obligations", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report for more information regarding outstanding environmental matters and asset retirement obligations.

Credit Facility, Term Loans, and Commercial Paper Borrowings

The Company has access to a $1.50 billion revolving credit agreement (the "Credit Facility") that was amended in March 2023 to replace the London Interbank Offered Rate-based ("LIBOR") reference interest rate option with a reference interest rate option based upon the Term Secured Overnight Financing Rate ("SOFR") (as defined in the Credit Facility). In February 2024, the Credit Facility was amended to extend the maturity to February 2029. All other material terms of the Credit Facility remain unchanged. Borrowings under the Credit Facility are subject to interest at varying spreads above quoted market rates and a commitment fee is paid on the total unused commitment. The Credit Facility includes sustainability-linked pricing terms, provides available liquidity for general corporate purposes, and supports commercial paper borrowings. At December 31, 2024, the Company had no outstanding borrowings under the Credit Facility and no commercial paper borrowings.

In 2024, the Company repaid the $300 million 2024 Term Loan and repaid $250 million of the $500 million five-year term loan (the "2027 Term Loan"). The balance outstanding of the 2027 Term Loan was $250 million at December 31, 2024 and $499 million at December 31, 2023, with variable interest rates of 5.58% and 6.58%, respectively. The 2027 Term Loan is subject to interest at a spread above quoted market rates.

The Credit Facility, and the 2027 Term Loan contain customary covenants, including requirements to maintain certain financial ratios, that determine the events of default, amounts available, and terms of borrowings. The Company was in compliance with all applicable covenants at December 31, 2024. The total amount of available borrowings under the Credit Facility was $1.50 billion as of December 31, 2024. For additional information regarding financial covenants under the Credit Facility, see Section 5.03 of the Credit Facility filed as Exhibit 10.03 to the Company's Annual Report on Form 10-K dated December 31, 2023.

See Note 9, "Borrowings", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

Net Debt

(Dollars in millions)	December 31, 2024	December 31, 2023
Total borrowings	$ 5,017	$ 4,846
Less: Cash and cash equivalents	837	548
Net debt [1]	$ 4,180	$ 4,298

(1) Includes non-cash decrease of $32 million in 2024 and non-cash increase of $20 million in 2023 resulting from foreign currency exchange rates.

Capital Expenditures

Capital expenditures were $599 million and $828 million in 2024 and 2023, respectively. Capital expenditures in 2024 were primarily for the methanolysis plastic-to-plastic molecular recycling manufacturing facilities, other targeted growth initiatives, and site modernization projects.

The Company expects that 2025 capital spending will be between $700 million and $800 million, primarily for targeted growth initiatives, including the AM segment methanolysis plastic-to-plastic molecular recycling manufacturing facilities, and site modernization projects.

The Company had capital expenditures related to environmental protection and improvement of approximately $70 million and $65 million in 2024 and 2023, respectively. The Company does not currently expect near term environmental capital expenditures arising from requirements of environmental laws and regulations to materially impact the Company's planned level of annual capital expenditures for environmental control facilities.

Dividends and Stock Repurchases

In December 2021, the Company's Board of Directors authorized the repurchase of up to $2.5 billion of the Company's outstanding common stock at such times, in such amounts, and on such terms, as determined by management to be in the best interest of the Company and its stockholders (the "2021 authorization"). As of December 31, 2024, a total of 11,612,158 shares have been repurchased under the 2021 authorization for $1.1 billion.

During 2024, the Company repurchased 3,001,409 shares of common stock for $300 million. During 2023, the Company repurchased 1,866,866 shares of common stock for $150 million.

The Board of Directors has declared a cash dividend of $0.83 per share during the first quarter of 2025, payable on April 7, 2025 to stockholders of record on March 14, 2025. Both dividends and share repurchases are key strategies employed by the Company to return value to its stockholders.

INFLATION

In recent years, Eastman has experienced significant volatility attributed to inflation, deflation, and other factors. The cost of raw materials is generally based on market prices, although derivative instruments are utilized, as appropriate, to mitigate short-term market price fluctuations. Management expects the volatility of raw material and energy prices and costs to continue and the Company will continue to pursue pricing and hedging strategies and ongoing cost control initiatives to offset the effects. For additional information, see "Risk Factors" in Part I, Item 1A, "Summary by Operating Segments" in this MD&A, and Note 10, "Derivative and Non-Derivative Financial Instruments", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

RECENTLY ISSUED ACCOUNTING STANDARDS

For information regarding the impact of recently issued accounting standards, see Note 1, "Significant Accounting Policies", to the Company's consolidated financial statements in Part II, Item 8 of this Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Eastman has exposure to various market risks principally due to changes in foreign currency exchange rates, the pricing of various commodities, and interest rates. In an effort to manage these risks, the Company employs various strategies, including pricing, inventory management, and hedging. The Company enters into derivative contracts which are governed by policies, procedures, and internal processes set forth by its Board of Directors.

The Company determines its exposures to market risk by utilizing sensitivity analyses, which measure the potential losses in fair value resulting from one or more selected hypothetical changes in foreign currency exchange rates, commodity prices, or interest rates.

Foreign Currency Risk

Due to a portion of the Company's operating cash flows and borrowings being denominated in foreign currencies, the Company is exposed to market risk from changes in foreign currency exchange rates. The Company continually evaluates its foreign currency exposure based on current market conditions and the locations in which the Company conducts business. The Company manages most foreign currency exposures on a consolidated basis, which allows the Company to net certain exposures and take advantage of natural offsets. To mitigate foreign currency risk, from time to time, the Company enters into derivative instruments to hedge the cash flows related to certain sales and purchase transactions expected within a rolling three year period and denominated in foreign currencies, and enters into forward exchange contracts to hedge certain firm commitments denominated in foreign currencies. The gains and losses on these contracts offset changes in the value of related exposures. Additionally, the Company, from time to time, enters into non-derivative and derivative instruments to hedge the foreign currency exposure of the net investment in certain foreign operations. The foreign currency change in the designated investment values of the foreign subsidiaries will generally be offset by a foreign currency change in the carrying value of the euro-denominated borrowings. It is the Company's policy to enter into foreign currency derivative and non-derivative instruments only to the extent considered necessary to meet its objectives as stated above. The Company does not enter into foreign currency derivative financial instruments for speculative purposes.

At December 31, 2024, the market risk associated with certain cash flows under these derivative transactions assuming a 10 percent adverse move in the U.S. dollar relative to these foreign currencies was $43 million, with an additional $4 million exposure for each additional one percentage point adverse change in those foreign currency rates. Since the Company utilizes currency-sensitive derivative instruments for hedging anticipated foreign currency transactions, a loss in fair value from those instruments is generally offset by an increase in the value of the underlying anticipated transactions.

At December 31, 2024, a 10 percent fluctuation in the euro and Japanese yen currency rates would have had an impact of $212 million and $5 million, respectively, on the designated net investment values in the foreign subsidiaries. As a result of the designation of the euro-denominated borrowings and designated cross-currency interest rate swaps as hedges of the net investments, foreign currency translation gains and losses on the borrowings and designated cross-currency interest rate swaps are recorded as a component of the "Change in cumulative translation adjustment" within "Other comprehensive income (loss), net of tax" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings in Part II, Item 8 of this Annual Report. Therefore, a foreign currency change in the designated investment values of the foreign subsidiaries will generally be offset by a foreign currency change in the carrying value of the euro-denominated borrowings or the foreign currency change in the designated cross-currency interest rate swaps.

Commodity Risk

The Company is exposed to fluctuations in market prices for certain of its raw materials and energy, as well as contract sales of certain commodity products. To mitigate short-term fluctuations in market prices for certain commodities, principally propane, ethane, natural gas, paraxylene, ethylene, and benzene, as well as selling prices for ethylene, the Company enters into derivative transactions, from time to time, to hedge the cash flows related to certain sales and purchase transactions expected within a rolling three year period. At December 31, 2024, the market risk associated with these derivative contracts, assuming an instantaneous parallel shift in the underlying commodity price of 10 percent and no corresponding change in the selling price of finished goods, was $4 million, with an additional $400 thousand of exposure at December 31, 2024 for each one percentage point move in closing price thereafter.

Interest Rate Risk

Eastman is exposed to interest rate risk primarily as a result of its borrowing and investing activities, which include long-term borrowings used to maintain liquidity and to fund its business operations and capital requirements. The nature and amount of the Company's long-term and short-term debt may vary from time to time as a result of business requirements, market conditions, and other factors. The Company manages global interest rate exposure as part of regular operational and financing strategies. The Company had $250 million variable interest rate borrowings at December 31, 2024. Eastman may also enter into interest rate swaps, collars, or similar instruments with the objective of reducing interest rate volatility relating to the Company's borrowing costs. As of December 31, 2024, the Company did not have outstanding interest rate swaps.

For purposes of calculating the market risks associated with interest-rate-sensitive instruments, the Company uses a hypothetical 10 percent increase in interest rates. The corresponding market risk was $1 million as of December 31, 2024.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for the preparation and integrity of the accompanying consolidated financial statements of Eastman Chemical Company ("Eastman" or the "Company"). Eastman has prepared these consolidated financial statements in accordance with accounting principles generally accepted in the United States, and the statements of necessity include some amounts that are based on management's best estimates and judgments.

Eastman's accounting systems include extensive internal controls designed to provide reasonable assurance of the reliability of its financial records and the proper safeguarding and use of its assets. Such controls are based on established policies and procedures, are implemented by trained, skilled personnel with an appropriate segregation of duties, and are monitored through a comprehensive internal audit program. The Company's policies and procedures prescribe that the Company and all employees are to maintain the highest ethical standards and that its business practices throughout the world are to be conducted in a manner that is above reproach.

The accompanying consolidated financial statements have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who were responsible for conducting their audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Their report is included herein.

The Board of Directors exercises its responsibility for these financial statements through its Audit Committee, which consists entirely of non-management Board members. PricewaterhouseCoopers LLP and the Company's internal auditors have full and free access to the Audit Committee. The Audit Committee meets periodically with PricewaterhouseCoopers LLP and Eastman's Director of Corporate Audit Services, both privately and with management present, to discuss accounting, auditing, policies and procedures, internal controls, and financial reporting matters.

/s/ Mark J. Costa	/s/ William T. McLain, Jr.
Mark J. Costa	William T. McLain, Jr.
Chief Executive Officer	Executive Vice President and Chief Financial Officer
February 14, 2025	February 14, 2025

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Eastman Chemical Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Eastman Chemical Company and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of earnings, comprehensive income, and retained earnings and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Annual Goodwill Impairment Assessments - Certain Reporting Units in the Additives & Functional Products and Advanced Materials Segments

As described in Notes 1 and 5 to the consolidated financial statements, the Company's consolidated goodwill balance was $3,632 million as of December 31, 2024, and the goodwill associated with the Additives & Functional Products and Advanced Materials segments were $2,172 million and $1,331 million, respectively, of which a portion relates to certain reporting units in those segments. Management conducts testing of goodwill for impairment annually in the fourth quarter or more frequently when events and circumstances indicate an impairment may have occurred. Management uses an income approach, specifically a discounted cash flow model, when a quantitative analysis is used in testing the carrying value of goodwill of a reporting unit for impairment. As disclosed by management, key assumptions and estimates used in the Company's goodwill impairment testing included projections of revenues and earnings before interest and taxes (EBIT), the estimated weighted average cost of capital (WACC) and projected long-term growth rates.

The principal considerations for our determination that performing procedures relating to the annual goodwill impairment assessments for certain reporting units in the Additives & Functional Products and Advanced Materials segments is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to projections of revenues and EBIT, the estimated WACC, and projected long-term growth rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the valuation of certain reporting units in the Additives & Functional Products and Advanced Materials segments. These procedures also included, among others (i) testing management's process for developing the fair value estimate of certain reporting units in the Additives & Functional Products and Advanced Materials segments; (ii) evaluating the appropriateness of the discounted cash flow models used by management; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow models; and (iv) evaluating the reasonableness of the significant assumptions used by management related to projections of revenues and EBIT, the estimated WACC, and projected long-term growth rates. Evaluating management's assumptions related to projections of revenues and EBIT and projected long-term growth rates involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting units; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the discounted cash flow models and (ii) the reasonableness of the estimated WACC assumptions.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
February 14, 2025

We have served as the Company's auditor since 1993.

CONSOLIDATED STATEMENTS OF EARNINGS, COMPREHENSIVE INCOME AND RETAINED EARNINGS

(Dollars in millions, except per share amounts)	For years ended December 31, 2024	2023	2022
Sales	$ 9,382	$ 9,210	$ 10,580
Cost of sales	7,092	7,149	8,443
Gross profit	2,290	2,061	2,137
Selling, general and administrative expenses	736	727	726
Research and development expenses	250	239	264
Asset impairments, restructuring, and other charges, net	51	37	52
Other components of post-employment (benefit) cost, net	(72)	41	(101)
Other (income) charges, net	47	38	(6)
Net (gain) loss on divested businesses	—	(323)	43
Earnings before interest and taxes	1,278	1,302	1,159
Net interest expense	200	215	182
Earnings before income taxes	1,078	1,087	977
Provision for income taxes	170	191	181
Net earnings	908	896	796
Less: Net earnings attributable to noncontrolling interest	3	2	3
Net earnings attributable to Eastman	$ 905	$ 894	$ 793
Basic earnings per share attributable to Eastman	$ 7.75	$ 7.54	$ 6.42
Diluted earnings per share attributable to Eastman	$ 7.67	$ 7.49	$ 6.35
Comprehensive Income			
Net earnings including noncontrolling interest	$ 908	$ 896	$ 796
Other comprehensive income (loss), net of tax:			
Change in cumulative translation adjustment	(20)	(67)	7
Defined benefit pension and other postretirement benefit plans:			
Amortization of unrecognized prior service credits included in net periodic costs	(8)	(21)	(27)
Derivatives and hedging:			
Unrealized gain (loss) during period	18	(27)	53
Reclassification adjustment for (gains) losses included in net income, net	15	1	(56)
Total other comprehensive income (loss), net of tax	5	(114)	(23)
Comprehensive income including noncontrolling interest	913	782	773
Less: Comprehensive income attributable to noncontrolling interest	3	2	3
Comprehensive income attributable to Eastman	$ 910	$ 780	$ 770
Retained Earnings			
Retained earnings at beginning of period	$ 9,490	$ 8,973	$ 8,557
Net earnings attributable to Eastman	905	894	793
Cash dividends declared	(382)	(377)	(377)
Retained earnings at end of period	$ 10,013	$ 9,490	$ 8,973

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Dollars in millions, except per share amounts)	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 837	$ 548
Trade receivables, net of allowance for credit losses	791	826
Miscellaneous receivables	381	328
Inventories	1,988	1,683
Other current assets	104	96
Total current assets	4,101	3,481
Properties		
Properties and equipment at cost	13,985	13,574
Less: Accumulated depreciation	8,370	8,026
Net properties	5,615	5,548
Goodwill	3,632	3,646
Intangible assets, net of accumulated amortization	1,032	1,138
Other noncurrent assets	833	820
Total assets	$ 15,213	$ 14,633
Liabilities and Stockholders' Equity		
Current liabilities		
Payables and other current liabilities	$ 2,258	$ 2,035
Borrowings due within one year	450	541
Total current liabilities	2,708	2,576
Long-term borrowings	4,567	4,305
Deferred income tax liabilities	533	601
Post-employment obligations	630	667
Other long-term liabilities	923	954
Total liabilities	9,361	9,103
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock ($0.01 par value per share – 350,000,000 shares authorized; shares issued – 223,588,347 and 222,762,317 on December 31, 2024 and 2023, respectively)	2	2
Additional paid-in capital	2,463	2,368
Retained earnings	10,013	9,490
Accumulated other comprehensive loss	(314)	(319)
	12,164	11,541
Less: Treasury stock at cost (108,470,763 and 105,469,354 shares on December 31, 2024 and 2023, respectively)	6,385	6,083
Total Eastman stockholders' equity	5,779	5,458
Noncontrolling interest	73	72
Total equity	5,852	5,530
Total liabilities and stockholders' equity	$ 15,213	$ 14,633

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	For years ended December 31, 2024	2023	2022
Operating activities			
Net earnings	$ 908	$ 896	$ 796
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	509	498	477
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	53	19
Asset impairment charges	5	—	—
(Gain) loss on sale of assets	—	(15)	15
(Gain) loss on divested businesses	—	(323)	43
Benefit from deferred income taxes	(52)	(102)	(136)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
(Increase) decrease in trade receivables	28	126	93
(Increase) decrease in inventories	(344)	201	(430)
Increase (decrease) in trade payables	188	(190)	60
Pension and other postretirement contributions (in excess of) less than expenses	(51)	(66)	(149)
Variable compensation payments (in excess of) less than expenses	99	142	(103)
Other items, net	51	154	290
Net cash provided by operating activities	1,287	1,374	975
Investing activities			
Additions to properties and equipment	(599)	(828)	(611)
Government incentives	9	—	—
Proceeds from sale of businesses	38	456	998
Acquisitions, net of cash acquired	—	(77)	(1)
Other items, net	18	17	6
Net cash (used in) provided by investing activities	(534)	(432)	392
Financing activities			
Net increase (decrease) in commercial paper and other borrowings	—	(326)	326
Proceeds from borrowings	1,237	796	500
Repayment of borrowings	(1,039)	(808)	(750)
Dividends paid to stockholders	(379)	(376)	(381)
Treasury stock purchases	(300)	(150)	(1,002)
Other items, net	27	(24)	(14)
Net cash used in financing activities	(454)	(888)	(1,321)
Effect of exchange rate changes on cash and cash equivalents	(10)	1	(12)
Net change in cash and cash equivalents	289	55	34
Cash and cash equivalents at beginning of period	548	493	459
Cash and cash equivalents at end of period	$ 837	$ 548	$ 493

The accompanying notes are an integral part of these consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The consolidated financial statements of Eastman Chemical Company ("Eastman" or the "Company") and subsidiaries are prepared in conformity with accounting principles generally accepted ("GAAP") in the United States and of necessity include some amounts that are based upon management estimates and judgments. Future actual results could differ from such current estimates and judgments. The consolidated financial statements include assets, liabilities, sales revenue, and expenses of all majority-owned subsidiaries and joint ventures in which a controlling interest is maintained. Eastman accounts for other joint ventures and investments in minority-owned companies where it exercises significant influence on the equity basis. Intercompany transactions and balances are eliminated in consolidation. Certain prior period data has been reclassified in the consolidated financial statements and accompanying footnotes to conform to current period presentation. See Note 7, "Payables and Other Current Liabilities".

Recently Adopted Accounting Standards

Accounting Standards Update ("ASU") 2022-03 Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions: On January 1, 2024, Eastman adopted this update, which states that when measuring the fair value of an asset or a liability, a reporting entity should consider the characteristics of the asset or liability, including restrictions on the sale of the asset or liability, if a market participant also would take those characteristics into account. Key to that determination is the unit of account for the asset or liability being measured at fair value. The adoption did not have a significant impact on the Company's financial statements and related disclosures.

ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures: For the year-ended 2024, Eastman adopted this update, which requires enhanced disclosures regarding significant segment expenses and other segment items for public entities on both an annual and interim basis. Specifically, the update mandates that entities provide, during interim periods, all disclosures related to a reportable segment's profit or loss and assets that were previously required only on an annual basis. Additionally, this guidance necessitates the disclosure of the title and position of the Chief Operating Decision Maker ("CODM"). The new guidance does not modify how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. This update is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years starting after December 15, 2024. The required disclosures did not have a significant impact on the Company's financial position, results of operations, or cash flows. The required disclosures were applied retrospectively and are included in Note 20, "Segment and Regional Sales Information".

Accounting Standards Issued But Not Adopted as of December 31, 2024

ASU 2023-05 Business Combination - Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement: The Financial Accounting Standards Board ("FASB") issued this update in August 2023, which states that a joint venture must initially measure all contributions received upon its formation at fair value, largely consistent with Topic 805, Business Combinations. The guidance is intended to reduce diversity in practice and provide users of joint venture financial statements with more decision-useful information. This ASU should be applied prospectively and is effective for all newly formed joint venture entities with a formation date on or after January 1, 2025. Early adoption is permitted, and joint ventures formed prior to the adoption date may elect to apply the new guidance retrospectively back to their original formation date. Management will apply this update to any newly formed joint venture entities prospectively.

ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures: The FASB issued this update in December 2023, which modifies income tax disclosure requirements. The updated guidance mandates entities to provide more detailed information including specific categories in the income tax rate reconciliation, and the breakdown of income or loss from continuing operations before income tax expense or benefit, for both domestic and foreign. Additionally, entities must disclose income tax expense or benefit from continuing operations, categorized by federal, state, and foreign taxes. The guidance further requires disclosure of income tax payments to various jurisdictions. This ASU is effective for fiscal periods beginning after December 15, 2024, and early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. Management is currently evaluating the impact of the changes required by the new standard on the Company's financial statements and related disclosures.

ASU 2024-03 Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses: The FASB issued this update in November 2024, which requires public companies to provide additional disclosure of certain income statement expense line items. This guidance is intended to improve transparency around the nature of expenses and their impact on financial performance. The ASU is effective for fiscal periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027. Early adoption is permitted. Management is currently evaluating the impact of the changes required by the new standard on the Company's financial statements and related disclosures.

Revenue Recognition

Eastman recognizes revenue when performance obligations of the sale are satisfied. Eastman sells to customers through master sales agreements or standalone purchase orders. The majority of the Company's terms of sale have a single performance obligation to transfer products. Accordingly, the Company recognizes revenue when control has been transferred to the customer, generally at the time of shipment of products.

Eastman accounts for shipping and handling as activities to fulfill the promise to transfer the good and does not allocate revenue to those activities. All related shipping and handling costs are recognized at the time of shipment. Amounts collected for sales or other similar taxes are presented net of the related tax expense rather than presenting them as additional revenue. The incremental cost of obtaining a sales contract is recognized as a selling expense when incurred given the potential amortization period for such an asset is one year or less. The possible existence of a significant financing component within a sales contract is ignored when the time between cash collection and performance is less than one year. Finally, the Company does not disclose any unfulfilled obligations as customer purchase order commitments have an original expected duration of one year or less and no consideration from customers is excluded from the transaction price.

The timing of Eastman's customer billings does not always match the timing of revenue recognition. When the Company is entitled to bill a customer in advance of the recognition of revenue, a contract liability is recognized. When the Company is not entitled to bill a customer until a period after the related recognition of revenue, a contract asset is recognized. Contract assets represent the Company's right to consideration for the exchange of goods under a contract but which are not yet billable to a customer for consignment inventory or pursuant to certain shipping terms. Contract liabilities were $15 million and $29 million as of December 31, 2024 and 2023, respectively, and are included as a part of "Payables and other current liabilities" and "Other long-term liabilities" in the Consolidated Statements of Financial Position. Contract assets were $92 million and $80 million as of December 31, 2024 and 2023, respectively, and are included as a component of "Miscellaneous receivables" in the Consolidated Statements of Financial Position.

For additional information, see Note 20, "Segment and Regional Sales Information".

Pension and Other Postretirement Benefits

Eastman maintains defined benefit pension and other postretirement benefits plans that provide eligible employees with retirement benefits. The estimated amounts of the costs and obligations related to these benefits reflect the Company's assumptions related to discount rates, expected return on plan assets, rate of compensation increase or decrease for employees, and health care cost trends. The estimated cost of providing plan benefits also depends on demographic assumptions including retirements, mortality, turnover, and plan participation.

Eastman's pension and other postretirement benefit plans costs consist of two elements: 1) ongoing costs recognized quarterly, which are comprised of service and interest costs, expected returns on plan assets, and amortization of prior service credits; and 2) mark-to-market ("MTM") gains and losses recognized annually, in the fourth quarter of each year, primarily resulting from changes in actuarial assumptions for discount rates and the differences between actual and expected returns on plan assets. Any interim remeasurements triggered by a curtailment, settlement, or significant plan changes are recognized in the quarter in which such remeasurement event occurs.

For additional information, see Note 11, "Retirement Plans".

Environmental Costs

Eastman recognizes environmental remediation costs when it is probable that the Company has incurred a liability at a contaminated site and the amount can be reasonably estimated. When a single amount cannot be reasonably estimated but the cost can be estimated within a range, the Company recognizes the minimum undiscounted amount. This undiscounted amount reflects liabilities expected to be paid within approximately 30 years and the Company's assumptions about remediation requirements at the contaminated site, the nature of the remedy, the outcome of discussions with regulatory agencies and other potentially responsible parties at multi-party sites, and the number and financial viability of other potentially responsible parties. Changes in the estimates on which the accruals are based, unanticipated government enforcement action, or changes in health, safety, environmental, and chemical control regulations and testing requirements could result in higher or lower costs.

The Company also establishes reserves for closure and post-closure costs associated with the environmental and other assets it maintains. Environmental assets include but are not limited to waste management units, such as landfills, water treatment facilities, and surface impoundments. When these types of assets are constructed or installed, a loss contingency reserve is established for the anticipated future costs associated with the retirement or closure of the asset based on its expected life and the applicable regulatory closure requirements. The Company recognizes the asset retirement obligations in the period in which they are incurred if a reasonable estimate of fair value can be made. The asset retirement obligations are discounted to expected present value and subsequently adjusted for changes in fair value. These future estimated costs are charged to earnings over the estimated useful life of the assets. If the Company changes its estimate of the environmental asset retirement obligation costs or its estimate of the useful lives of these assets, earnings will be impacted in the period the estimate is changed. The associated estimated asset retirement costs are capitalized as part of the carrying value of the long-lived assets and depreciated over their useful life and charged to "Cost of sales" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings.

Environmental costs are capitalized if they extend the life of the related property, increase its capacity, or mitigate the possibility of future contamination. The cost of operating and maintaining environmental control facilities is charged to "Cost of sales" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings, as incurred.

For additional information see Note 13, "Environmental Matters and Asset Retirement Obligations".

Share-Based Compensation

Eastman recognizes compensation expense in "Selling, general and administrative expense" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings for stock options and other share-based compensation awards based upon the grant-date fair value over the substantive vesting period.

For additional information, see Note 18, "Share-Based Compensation Plans and Awards".

Restructuring of Operations

Eastman records restructuring charges for costs incurred in connection with consolidation of operations, exited business or product lines, or shutdowns of specific sites that are expected to be substantially completed within twelve months. These restructuring charges are recorded as incurred, and are associated with site closures, legal and environmental matters, demolition, contract terminations, or other costs and charges directly related to the restructuring. The Company records severance charges for employee separations when the separation is probable and reasonably estimable. In the event employees are required to perform future service, the Company records severance charges ratably over the remaining service period of those employees.

For additional information, see Note 16, "Asset Impairments, Restructuring, and Other Charges, Net".

Income Taxes

The provision for income taxes has been determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax bases of Eastman's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. The recoverability of the Company's deferred tax assets are evaluated each quarter by assessing the likelihood of future profitability and available tax planning strategies that could be implemented to realize the Company's net deferred tax assets. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Provision has been made for income taxes on unremitted earnings of subsidiaries and affiliates, except for subsidiaries in which earnings are deemed to be indefinitely reinvested. The calculation of income tax liabilities involves uncertainties in the application of complex tax laws and regulations, which are subject to legal interpretation and management judgment. Eastman's income tax returns are regularly examined by federal, state and foreign tax authorities, and those audits may result in proposed adjustments. The Company has evaluated these potential issues under the more-likely-than-not standard of the accounting literature. A tax position is recognized if it meets this standard and is measured at the largest amount of benefit that has a greater than 50 percent likelihood of being realized. Such judgments and estimates may change based on audit settlements, court cases and interpretation of tax laws and regulations. The Company accrues interest related to unrecognized income tax positions, which is included as a component of the income tax provision on the balance sheet. The accrued interest related to unrecognized income tax positions and taxes resulting from the global intangible low-tax income are recorded as a component of the income tax provision.

For additional information, see Note 8, "Income Taxes".

Cash and Cash Equivalents

Cash and cash equivalents include cash, time deposits, and readily marketable securities with original maturities of three months or less.

Fair Value Measurements

Eastman records recurring and non-recurring financial assets and liabilities as well as all non-financial assets and liabilities subject to fair value measurement at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. These fair value principles prioritize valuation inputs across three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. An asset or liability's classification within the various levels is determined based on the lowest level input that is significant to the fair value measurement.

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Eastman maintains allowances for estimated credit losses, which are developed at a market, country, and region level based on risk of collection as well as current and forecasted economic conditions. The Company calculates the allowance based on an assessment of the risk when the accounts receivable is recognized. Write-offs are recorded at the time a customer receivable is deemed uncollectible. Allowance for credit losses was $15 million and $17 million as of December 31, 2024 and 2023, respectively. The Company does not enter into receivables of a long-term nature, also known as financing receivables, in the normal course of business.

Inventories

Inventories measured by the last-in, first-out ("LIFO") method are valued at the lower of cost or market and inventories measured by the first-in, first-out ("FIFO") method are valued at the lower of cost or net realizable value. Eastman determines the cost of most raw materials, work in process, and finished goods inventories in the United States and Switzerland by the LIFO method. The cost of all other inventories is determined by the average cost method, which approximates the FIFO method. The Company writes-down its inventories equal to the difference between the carrying value of inventory and the estimated market value or net realizable value based upon assumptions about future demand and market conditions.

For additional information, see Note 3, "Inventories".

Properties

Eastman records properties at cost. Maintenance and repairs are charged to earnings; replacements and betterments are capitalized. When Eastman retires or otherwise disposes of assets, it removes the cost of such assets and related accumulated depreciation from the accounts. The Company records any profit or loss on retirement or other disposition in "Cost of sales" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings. Asset impairments are reflected as increases in accumulated depreciation for properties that have been placed in service. In instances when an asset has not been placed in service and is impaired, the associated costs are removed from the appropriate property accounts.

For additional information, see Note 4, "Properties and Accumulated Depreciation" and Note 16, "Asset Impairments, Restructuring, and Other Charges, Net".

Depreciation and Amortization

Depreciation expense is calculated based on historical cost and the estimated useful lives of the assets, generally using the straight-line method. Estimated useful lives for buildings and building equipment generally range from 20 to 50 years. Estimated useful lives generally ranging from 3 to 33 years are applied to machinery and equipment in the following categories: computer software (3 to 5 years); office furniture and fixtures and computer equipment (5 to 10 years); vehicles, railcars, and general machinery and equipment (5 to 20 years); and manufacturing-related improvements (20 to 33 years). Accelerated depreciation is reported when the estimated useful life is shortened and continues to be reported in "Cost of sales" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings.

For additional information, see Note 4, "Properties and Accumulated Depreciation".

Amortization expense for definite-lived intangible assets is generally determined using a straight-line method over the estimated useful life of the asset. Amortization expense is reported in "Cost of sales" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings.

For additional information, see Note 5, "Goodwill and Other Intangible Assets".

Impairment of Long-Lived Assets

Definite-lived Assets

Properties and equipment and definite-lived intangible assets to be held and used by Eastman are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The review of properties and equipment and the review of definite-lived intangible assets is performed at the asset group level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If the carrying amount is not considered to be recoverable, an analysis of fair value is triggered. An impairment is recognized for the excess of the carrying amount of the asset over the fair value.

Goodwill

Goodwill is an asset determined as the residual of the purchase price over the fair value of identified assets and liabilities acquired in a business combination. Eastman conducts testing of goodwill for impairment annually in the fourth quarter or more frequently when events and circumstances indicate an impairment may have occurred. The testing of goodwill is performed at the "reporting unit" level which the Company has determined to be its "components". Components are defined as an operating segment or one level below an operating segment, and in order to be a reporting unit, the component must 1) be a "business" as defined by applicable accounting standards (an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to the investors or other owners, members, or participants); 2) have discrete financial information available; and 3) be reviewed regularly by Company operating segment management. The Company aggregates certain components into reporting units based on economic similarities. An impairment is recognized when the reporting unit's estimated fair value is less than its carrying value. The Company may use a qualitative analysis or a quantitative analysis in testing the carrying value of goodwill of each reporting unit for impairment. When the quantitative analysis is used, the Company uses an income approach, specifically a discounted cash flow model.

Indefinite-lived Intangible Assets

Eastman conducts testing of indefinite-lived intangible assets annually in the fourth quarter or more frequently when events and circumstances indicate an impairment may have occurred. The carrying value of an indefinite-lived intangible asset is considered to be impaired when the fair value, estimated by appraisal or based on discounted future cash flows of certain related products, is less than the respective carrying value.

Indefinite-lived intangible assets, consisting primarily of various tradenames, are tested for potential impairment by comparing the estimated fair value to the carrying amount. The Company may use a qualitative analysis or a quantitative analysis in testing the carrying value of indefinite-lived intangible assets for impairment. When the quantitative analysis is used, the Company uses an income approach, specifically the relief from royalty method. The estimated fair value of tradenames is determined based on an assumed royalty rate savings, discounted by the calculated market participant estimated weighted average cost of capital ("WACC") plus a risk premium.

For additional information, see Note 5, "Goodwill and Other Intangible Assets".

Leases

There are two types of leases: financing and operating. Both types of leases have associated right-to-use assets and lease liabilities that are valued at the net present value of the lease payments and recognized on the Consolidated Statements of Financial Position. The discount rate used in the measurement of a right-to-use asset and lease liability is the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, the collateralized incremental borrowing rate is used. The Company elected the accounting policy not to apply the recognition and measurement requirements to short-term leases with a term of 12 months or less and do not include a bargain purchase option. Residual guarantee payments that become probable and estimable are recognized as rent expense over the remaining life of the applicable lease.

For lease accounting policies, see Note 12, "Leases and Other Commitments".

Investments

The consolidated financial statements include the accounts of Eastman and all its subsidiaries and entities or joint ventures in which a controlling interest is maintained. The Company includes its share of earnings and losses of such investments in "Net earnings attributable to Eastman" and "Comprehensive income attributable to Eastman" located in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings and in "Total equity" located in the Consolidated Statements of Financial Position.

Investments in affiliates over which the Company has significant influence but not a controlling interest are accounted for under the equity method of accounting. These investments are included in "Other noncurrent assets" in the Consolidated Statements of Financial Position. The Company includes its share of earnings and losses of such investments in "Other (income) charges, net" located in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings.

For additional information, see Note 6, "Equity Investments".

Derivative and Non-Derivative Financial Instruments

Eastman uses derivative and non-derivative instruments to manage its exposure to market risks, such as changes in foreign currency exchange rates, commodity prices, and interest rates. The Company does not enter into derivative transactions for speculative purposes.

The Company's derivative instruments are recognized as either assets or liabilities on the Consolidated Statements of Financial Position and measured at fair value. Hedge accounting will be discontinued prospectively for all hedges that no longer qualify for hedge accounting treatment.

For additional information, see Note 10, "Derivative and Non-Derivative Financial Instruments".

Litigation and Contingent Liabilities

From time to time, Eastman and its operations are parties to or targets of lawsuits, claims, investigations and proceedings, including product liability, personal injury, asbestos, patent and intellectual property, commercial, contract, environmental, antitrust, health and safety, and employment matters, which are handled and defended in the ordinary course of business. The Company accrues a contingent loss liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When a single amount cannot be reasonably estimated but the cost can be estimated within a range, the Company accrues the minimum amount. The Company expenses legal costs, including those expected to be incurred in connection with a loss contingency, as incurred.

For additional information, see Note 14, "Legal Matters".

Working Capital Management and Off Balance Sheet Arrangements

The Company engages in off-balance sheet, uncommitted accounts receivable factoring programs as a routine part of its ordinary business operations. Through these programs, entire invoices may be sold to third-party financial institutions, the vast majority of which are without recourse. Under these agreements, the Company sells the invoices at face value, less a transaction fee, which substantially equals the carrying value and fair value with no gain or loss recognized, and no credit loss exposure is retained. Available capacity under these programs, which the Company uses as a routine source of working capital funding, is dependent on the level of accounts receivable eligible to be sold and the financial institutions' willingness to purchase such receivables. In addition, certain programs also require that the Company continue to service, administer, and collect the sold accounts receivable at market rates. The total amount of receivables sold in 2024 and 2023 were $2.7 billion and $2.8 billion, respectively.

The Company works with suppliers to optimize payment terms and conditions on accounts payable to enhance timing of working capital and cash flows. Under a supplier finance program, the Company's suppliers may voluntarily sell receivables due from Eastman to a participating financial institution. Eastman's responsibility is limited to making payments on the terms originally negotiated with suppliers, regardless of whether the suppliers sell their receivables to the financial institution. The range of payment terms Eastman negotiates with suppliers are consistent, regardless of whether a supplier participates in the program. No fees are paid by Eastman for the supplier finance program or services fees. Eastman or the financial institution may terminate the program at any time with immediate effect upon 90 days' notice. Confirmed obligations in the supplier finance program of $56 million and $69 million at December 31, 2024 and 2023, respectively, are included in "Payables and other current liabilities" on the Consolidated Statements of Financial Position. The following table presents a rollforward of obligations confirmed as valid through the supplier finance program for the year ended December 31, 2024:

(Dollars in millions)	Confirmed obligations
Confirmed obligations outstanding at December 31, 2023	$ 69
Invoices confirmed during the year	418
Confirmed invoices paid during the year	(431)
Confirmed obligations outstanding at December 31, 2024	$ 56

Government Grants

In the absence of explicit GAAP guidance on contributions received from government agencies, the Company applied by analogy the recognition and measurement guidance under International Accounting Standard 20, Accounting for Government Grants and Disclosure of Government Assistance. The Company recognizes grants once it is probable that both of the following conditions will be met: (1) the Company is eligible to receive the grant, and (2) the Company is able to comply with the relevant conditions of the grant. Government grants whose primary condition is the purchase, construction, or acquisition of a long-lived asset are considered asset-based grants and are recognized as a reduction to such asset's cost basis, which reduces future depreciation expense. Proceeds received from asset-based grants are presented as cash inflows from investing activities on the Consolidated Statements of Cash Flows.

In 2024, the Company entered into a Cooperative Agreement ("the DOE grant") with the United States Department of Energy's ("DOE") Office of Clean Energy Demonstrations ("OCED") whereby certain costs incurred by the Company are reimbursed by the DOE. During the year ended December 31, 2024, pursuant to the DOE grant, the Company requested $11 million in reimbursements from the DOE, of which $9 million has been received by the Company during fourth quarter 2024. The funds received reduced the carrying amount of certain fixed assets associated with the Company's Polyethylene Terephthalate Recycling Decarbonization Project in Longview, Texas, which were included in properties and equipment at December 31, 2024. The reduced carrying amount of the impacted assets is recognized in profit or loss over the life of the depreciable assets through reduced depreciation expense.

2. DIVESTITURES

Texas City Divestiture

On December 1, 2023, the Company completed the sale of its Texas City operations, which was reported in the Chemical Intermediates ("CI") segment ("Texas City Operations"). The sale excluded the plasticizer operations. The Company provided certain transition and post-closing services on agreed terms that were completed in 2024. The business was not reported as a discontinued operation because the sale did not have a major effect on the Company's operations and financial results.

The total estimated consideration, after post-closing adjustments, was $498 million. The divestiture resulted in a $323 million gain.

The major classes of divested assets and liabilities as of the date of the divestiture were as follows:

(Dollars in millions)

Assets divested		
Trade receivables, net of allowance for doubtful accounts	$	12
Inventories		7
Other assets		17
Properties, net of accumulated depreciation		103
Goodwill		67
Intangible assets, net of accumulated amortization		3
Assets divested		209
Liabilities divested		
Payables and other current liabilities		10
Other liabilities		24
Liabilities divested		34
Disposal group, net	$	175

Adhesives Resins Divestiture

On April 1, 2022, the Company and certain of its subsidiaries completed the sale of its adhesives resins business, which included hydrocarbon resins (including Eastman Impera™ tire resins), pure monomer resins, polyolefin polymers, rosins and dispersions, and oleochemical and fatty-acid based resins product lines ("adhesives resins"), of its Additives & Functional Products ("AFP") segment. The Company provided certain business transition and post-closing services to the buyer on agreed terms, which were completed in 2022. The business was not reported as a discontinued operation because the sale did not have a major effect on the Company's operations and financial results. Included in the adhesives resins divestiture was the 50 percent interest in a joint venture that has a manufacturing facility in Nanjing, China, which produces Eastotac™ hydrocarbon tackifying resins for pressure-sensitive adhesives, caulks, and sealants.

The total consideration, after post-closing adjustments, was $957 million. The divestiture resulted in a $1 million loss (including cumulative translation adjustment liquidation of $10 million and certain costs to sell of $13 million).

The major classes of divested assets and liabilities as of the date of the divestiture were as follows:

(Dollars in millions)		
Assets divested		
Trade receivables, net of allowance for doubtful accounts	$	129
Inventories		163
Other assets		21
Properties, net of accumulated depreciation		303
Goodwill		399
Intangible assets, net of accumulated amortization		14
Assets divested		1,029
Liabilities divested		
Payables and other liabilities		83
Deferred tax liability		7
Other liabilities		4
Liabilities divested		94
Disposal group, net	$	935

The Company recognized $13 million of transaction costs for the divested business in 2022. Transaction costs are expensed as incurred and are included in "Selling, general and administrative expenses" ("SG&A") in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings.

3. INVENTORIES

	December 31,			
(Dollars in millions)	2024		2023	
Finished goods	$	1,321	$	1,193
Work in process		305		293
Raw materials and supplies		737		618
Total inventories at FIFO or average cost		2,363		2,104
Less: LIFO reserve		375		421
Total inventories	$	1,988	$	1,683

Inventories valued on the LIFO method were approximately 50 percent of total inventories at both December 31, 2024 and 2023.

4. PROPERTIES AND ACCUMULATED DEPRECIATION

(Dollars in millions)	December 31, 2024	December 31, 2023
Properties		
Land	$ 111	$ 114
Buildings	1,531	1,482
Machinery and equipment	11,566	10,750
Construction in progress	777	1,228
Properties and equipment at cost	$ 13,985	$ 13,574
Less: Accumulated depreciation	8,370	8,026
Net properties	$ 5,615	$ 5,548

Depreciation expense was $419 million, $405 million, and $384 million for 2024, 2023, and 2022, respectively.

Cumulative construction-period interest of $117 million and $100 million, reduced by accumulated depreciation of $51 million and $46 million, is included in net properties at December 31, 2024 and 2023, respectively.

Eastman capitalized $17 million, $18 million, and $9 million of interest in 2024, 2023, and 2022, respectively.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Below is a summary of the change in goodwill during 2024 and 2023.

(Dollars in millions)	Advanced Materials	Additives & Functional Products	Chemical Intermediates	Other	Total
Balance at December 31, 2022	$ 1,296	$ 1,601	$ 757	$ 10	$ 3,664
Adjustments to net goodwill resulting from reorganization [(1)]	—	569	(569)	—	—
Acquisition	34	—	—	—	34
Divestiture	—	—	(67)	—	(67)
Currency translation and other adjustments	—	12	3	—	15
Balance at December 31, 2023	$ 1,330	$ 2,182	$ 124	$ 10	$ 3,646
Acquisition [(2)]	4	—	—	—	4
Currency translation and other adjustments	(3)	(10)	(5)	—	(18)
Balance at December 31, 2024	$ 1,331	$ 2,172	$ 119	$ 10	$ 3,632

(1) The amount was determined using the relative fair value approach. Goodwill impacted by the product moves announced in first quarter 2023 was assessed for impairment at the time of the reorganization.
(2) Measurement period adjustments related to prior year acquisition.

The reported balance of goodwill included accumulated impairment losses of $106 million, $12 million, and $14 million in the AFP segment, Chemical Intermediates ("CI") segment, and other segments, respectively, at both December 31, 2024 and 2023.

The carrying amounts of intangible assets follow:

(Dollars in millions)	Estimated Useful Life in Years	December 31, 2024 Gross Carrying Value	Accumulated Amortization	Net Carrying Value	December 31, 2023 Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets:							
Customer relationships	10 - 25	$ 1,141	$ 649	$ 492	$ 1,149	$ 592	$ 557
Technology	10 - 20	519	378	141	527	356	171
Other	16 - 37	86	36	50	87	34	53
Indefinite-lived intangible assets:							
Tradenames		349	—	349	350	—	350
Other		—	—	—	7	—	7
Total identified intangible assets		$ 2,095	$ 1,063	$ 1,032	$ 2,120	$ 982	$ 1,138

Amortization expense of definite-lived intangible assets was $82 million, $86 million, and $87 million for 2024, 2023, and 2022, respectively. Estimated amortization expense for future periods is $80 million in 2025, $77 million in 2026, $70 million in 2027, $66 million in 2028, and $61 million in 2029.

6. EQUITY INVESTMENTS

Eastman owns a 50 percent or less interest in joint ventures which are accounted for under the equity method. As of December 31, 2024 and 2023, these include a joint venture with a 50 percent interest for the manufacture of compounded cellulose diacetate ("CDA") in Shenzhen, China. CDA is a bio-derived material, which is used in various injection molded applications, including but not limited to ophthalmic frames, tool handles, and other end-use products. The Company owns a 45 percent interest in a joint venture with China National Tobacco Corporation that manufactures acetate tow in Hefei, China. These joint ventures also include a 40 percent interest in a joint venture facility in Kingsport, Tennessee that manufactures acetylated wood. At December 31, 2024 and 2023, the Company's total equity investments were $114 million and $106 million, respectively, included in "Other noncurrent assets" in the Consolidated Statements of Financial Position.

7. PAYABLES AND OTHER CURRENT LIABILITIES

(Dollars in millions)	December 31, 2024	2023
Trade creditors	$ 1,309	$ 1,170
Accrued payrolls, vacation, and variable-incentive compensation	231	222
Accrued taxes	290	192
Other	428	451
Total payables and other current liabilities	$ 2,258	$ 2,035

The "Other" above consists primarily of accruals for dividends payable to shareholders, post-employment obligations, interest payable, the current portion of operating lease liabilities, environmental reserves, and miscellaneous accruals.

8. INCOME TAXES

Components of earnings before income taxes and the provision for U.S. and other income taxes from operations follow:

(Dollars in millions)	For years ended December 31, 2024	2023	2022
Earnings before income taxes			
United States	$ 147	$ 357	$ 205
Outside the United States	931	730	772
Total	$ 1,078	$ 1,087	$ 977
Provision for income taxes			
United States Federal			
Current	$ 36	$ 133	$ 179
Deferred	(80)	(39)	(76)
Outside the United States			
Current	176	153	105
Deferred	41	(35)	(10)
State and other			
Current	10	7	33
Deferred	(13)	(28)	(50)
Total	$ 170	$ 191	$ 181

The following represents the deferred tax (benefit) charge recorded as a component of "Accumulated other comprehensive income (loss)" ("AOCI") in the Consolidated Statements of Financial Position:

(Dollars in millions)	For years ended December 31, 2024	2023	2022
Cumulative translation adjustment	$ 19	$ 11	$ —
Defined benefit pension and other postretirement benefit plans	(3)	(6)	(7)
Derivatives and hedging	11	(9)	(1)
Total	$ 27	$ (4)	$ (8)

Total income tax expense (benefit) included in the consolidated financial statements was composed of the following:

(Dollars in millions)	For years ended December 31, 2024	2023	2022
Earnings before income taxes	$ 170	$ 191	$ 181
Other comprehensive income	27	(4)	(8)
Total	$ 197	$ 187	$ 173

Differences between the provision for income taxes and income taxes computed using the U.S. Federal statutory income tax rate follow:

	For years ended December 31,		
(Dollars in millions)	2024	2023	2022
Amount computed using the statutory rate	$ 226	$ 228	$ 205
State income taxes, net	(21)	(26)	(27)
Foreign rate variance	(31)	(78)	(16)
Change in reserves for tax contingencies	40	105	27
General business credits	(64)	(81)	(44)
U.S. tax on foreign earnings, net of credits	(5)	22	(17)
Divestitures	7	14	37
Other	18	7	16
Provision for income taxes	$ 170	$ 191	$ 181
Effective income tax rate	16 %	18 %	19 %

The 2024 provision for income taxes includes decreases related to general business credits and foreign rate variance due to the Company's mix of earnings, offset by increases related to changes in reserves for tax contingencies.

The 2023 provision for income taxes includes an increase related to changes in reserves for tax contingencies, a decrease related to general business credits, and a decrease related to the foreign rate variance due to the Company's mix of earnings.

The 2022 provision for income taxes includes decreases related to general business credits and the release of a state valuation allowance, offset by the impacts of the business divestitures.

The significant components of deferred tax assets and liabilities follow:

(Dollars in millions)	December 31, 2024	2023
Deferred tax assets		
Post-employment obligations	$ 132	$ 158
Net operating loss carryforwards	657	690
Tax credit carryforwards	313	268
Environmental contingencies	68	68
Capitalized research and development expenses	421	322
Other	198	264
Total deferred tax assets	1,789	1,770
Less: Valuation allowance	686	183
Deferred tax assets less valuation allowance	$ 1,103	$ 1,587
Deferred tax liabilities		
Property, plant, and equipment	$ (961)	$ (952)
Intangible assets	(251)	(270)
Investments	—	(516)
Deferred gain	(166)	(160)
Other	(149)	(134)
Total deferred tax liabilities	$ (1,527)	$ (2,032)
Net deferred tax liabilities	$ (424)	$ (445)
As recorded in the Consolidated Statements of Financial Position:		
Other noncurrent assets	$ 109	$ 156
Deferred income tax liabilities	(533)	(601)
Net deferred tax liabilities	$ (424)	$ (445)

At December 31, 2024, foreign net operating loss carryforwards totaled $2.4 billion. Of this amount, $800 million will expire in 1 to 20 years and $1.6 billion of the carryforwards have no expiration date. In 2024, the Company reassessed the likelihood of certain foreign net operating losses being recaptured, that were previously maintained as a deferred tax liability. These net operating losses are not realizable; therefore, a valuation allowance was recorded to offset the elimination of the deferred tax liability. A valuation allowance of approximately $551 million has been provided against foreign net operating loss carryforwards and other foreign deferred income tax balances.

At December 31, 2024, there were no federal net operating loss carryforwards available to offset future taxable income. At December 31, 2024, foreign tax credit carryforwards of approximately $112 million were available to reduce possible future U.S. income taxes, which expire from 2028 to 2034. A partial valuation allowance of $103 million has been established for foreign tax credit carryforwards as of December 31, 2024.

A partial valuation allowance of $29 million has been established for the Solutia, Inc. ("Solutia") state net operating loss carryforwards. The valuation allowance will be retained until there is sufficient positive evidence to conclude that it is more likely than not that the deferred tax assets will be realized, or the related statute expires.

All foreign earnings, with the exception of short-term liquid assets on certain foreign subsidiaries, including basis differences, continue to be considered indefinitely reinvested. As of December 31, 2024, unremitted earnings of subsidiaries outside the U.S. totaled $4.0 billion of which a substantial portion has already been subject to U.S. tax. The Company has not determined the deferred tax liability associated with these unremitted earnings and basis differences, as such determination is not practicable.

Amounts due to and from tax authorities as recorded in the Consolidated Statements of Financial Position:

(Dollars in millions)	December 31, 2024	December 31, 2023
Miscellaneous receivables	$ 73	$ 62
Payables and other current liabilities	$ 229	$ 133
Other long-term liabilities	302	287
Total income taxes payable	$ 531	$ 420

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

(Dollars in millions)	2024	2023	2022
Balance at January 1	$ 320	$ 235	$ 200
Adjustments based on tax positions related to current year	27	33	11
Adjustments based on tax positions related to prior years	3	68	24
Lapse of statute of limitations	(6)	(9)	—
Settlements	(23)	(7)	—
Balance at December 31 [1]	$ 321	$ 320	$ 235

[1] All of the unrecognized tax benefits as of December 31, 2024, would, if recognized, impact the Company's effective tax rate.

A reconciliation of the beginning and ending amounts of accrued interest related to unrecognized tax positions is as follows:

(Dollars in millions)	2024	2023	2022
Balance at January 1	$ 39	$ 22	$ 13
Expense for interest, net of tax	18	17	9
Income for interest, net of tax	(2)	—	—
Balance at December 31	$ 55	$ 39	$ 22

Accrued penalties related to unrecognized tax positions were immaterial as of December 31, 2024, 2023, and 2022.

Eastman files federal income tax returns in the U.S. and income tax returns in various state and foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2017. With few exceptions, Eastman is no longer subject to foreign, state, and local income tax examinations by tax authorities for years before 2015. Solutia and related subsidiaries are no longer subject to state and local income tax examinations for years before 2002.

It is reasonably possible that, as a result of the resolution of federal, state, and foreign examinations and appeals, and the expiration of various statutes of limitation, unrecognized tax benefits could decrease within the next twelve months by up to $150 million.

9. BORROWINGS

(Dollars in millions)	December 31, 2024	December 31, 2023
Borrowings consisted of:		
7.25% debentures due January 2024	$ —	$ 198
7.625% debentures due June 2024	—	43
3.80% notes due March 2025	450	696
1.875% notes due November 2026 (1)	518	550
7.60% debentures due February 2027	196	196
4.5% notes due December 2028	496	495
5.0% notes due August 2029	495	—
5.75% notes due March 2033 (2)	496	496
5.625% notes due February 2034	743	—
4.8% notes due September 2042	495	495
4.65% notes due October 2044	878	878
2024 Term Loan	—	300
2027 Term Loan	250	499
Commercial paper and short-term borrowings	—	—
Total borrowings	5,017	4,846
Less: Borrowings due within one year	450	541
Long-term borrowings	$ 4,567	$ 4,305

(1) The carrying value of the euro-denominated 1.875% notes due November 2026 fluctuates with changes in the euro to U.S. dollar exchange rate. The carrying value of these euro-denominated borrowings have been designated as non-derivative net investment hedges of a portion of the Company's net investments in euro functional-currency denominated subsidiaries to offset foreign currency fluctuations.

(2) Net proceeds from the bond issuance have been used to finance or refinance existing and future eligible green investment initiatives which contribute to Eastman's environmental sustainability strategy (a green bond).

In 2024, the Company issued $750 million aggregate principal amount of 5.625% notes due February 2034 (the "2034 Notes"). Proceeds from the sale of the 2034 Notes, net of original issue discounts and issuance costs, were $742 million. The Company also issued $500 million aggregate principal amount of 5.0% notes due August 2029 (the "2029 Notes"). Proceeds from the sale of the 2029 Notes, net of original issue discount and issuance costs, were $495 million. The Company repaid the $198 million 7.25% debentures due January 2024 and the $43 million 7.625% debentures due June 2024. There were no debt extinguishment costs associated with these repayments. The Company also redeemed $250 million aggregate principal amount of the 3.80% notes due March 2025 (the "2025 Notes"). Redemption of the 2025 Notes resulted in an immaterial gain on extinguishment of debt.

All proceeds from the issued notes and the redemption of the debentures are reported under financing activities on the Consolidated Statements of Cash Flows.

Credit Facility, Term Loans, and Commercial Paper Borrowings

The Company has access to a $1.50 billion revolving credit agreement (the "Credit Facility"). In February 2024, the Credit Facility was amended to extend the maturity to February 2029. All other material terms of the Credit Facility remain unchanged. Borrowings under the Credit Facility are subject to interest at varying spreads above quoted market rates and a commitment fee is paid on the total unused commitment. The Credit Facility includes sustainability-linked pricing terms, provides available liquidity for general corporate purposes, and supports commercial paper borrowings. Commercial paper borrowings are classified as short-term. At December 31, 2024 and 2023, the Company had no outstanding borrowings under the Credit Facility and no commercial paper borrowings.

In 2024, the Company repaid the $300 million delayed draw two-year term loan (the "2024 Term Loan") and $250 million of the $500 million five-year term loan (the "2027 Term Loan"). There were no extinguishment costs associated with repayments of either term loan. The outstanding balance on the 2027 Term Loan was $250 million at December 31, 2024 and $499 million at December 31, 2023, with variable interest rates of 5.58% and 6.58%, respectively. The 2027 Term Loan is subject to interest at a spread above quoted market rates.

The Credit Facility and the 2027 Term Loan contain customary covenants, including requirements to maintain certain financial ratios, that determine the events of default, amounts available, and terms of borrowings. The Company was in compliance with all applicable covenants at both December 31, 2024 and 2023.

Fair Value of Borrowings

Eastman has classified its total borrowings at December 31, 2024 and 2023 under the fair value hierarchy as defined in the accounting policies in Note 1, "Significant Accounting Policies". The fair value for fixed-rate debt securities is based on quoted market prices for the same or similar debt instruments and is classified as Level 2. The fair value for the Company's other borrowings under the Term Loan equals the carrying value and is classified as Level 2. At December 31, 2024 and 2023, the fair value of total borrowings was $4.9 billion and $4.7 billion, respectively. The Company had no borrowings classified as Level 1 or Level 3 as of December 31, 2024 and 2023.

10. DERIVATIVE AND NON-DERIVATIVE FINANCIAL INSTRUMENTS

Overview of Hedging Programs

Eastman is exposed to market risks, such as changes in foreign currency exchange rates, commodity prices, and interest rates. To mitigate these market risks and their effects on the cash flows of the underlying transactions and investments in foreign subsidiaries, the Company uses various derivative and non-derivative financial instruments, when appropriate, in accordance with the Company's hedging strategy and policies. Designation is performed on a specific exposure basis to support hedge accounting. The Company does not enter into derivative transactions for speculative purposes.

Cash Flow Hedges

Cash flow hedges are derivative instruments designated as and used to hedge the exposure to variability in expected future cash flows that are attributable to a particular risk. The derivative instruments that are designated and qualify as a cash flow hedge are reported on the balance sheet at fair value and the changes in fair value of these hedging instruments are offset in part or in whole by corresponding changes in the anticipated cash flows of the underlying exposures being hedged. The change in the hedge instrument is reported as a component of AOCI located in the Consolidated Statements of Financial Position and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Cash flows from
cash flow hedges are classified as operating activities in the Consolidated Statements of Cash Flows.

Foreign Currency Exchange Rate Hedging

Eastman manufactures and sells its products in a number of countries throughout the world and, as a result, is exposed to changes in foreign currency exchange rates. To manage the volatility relating to these exposures, the Company nets the exposures on a consolidated basis to take advantage of natural offsets. To manage the remaining exposure, the Company enters into currency option and forward cash flow hedges to hedge probable anticipated, but not yet committed, export sales and purchase transactions expected within a rolling three year period and denominated in foreign currencies (principally the euro). Additionally, the Company, from time to time, enters into forward exchange contracts to hedge certain firm commitments denominated in foreign currencies.

In fourth quarter 2024, the Company de-designated and monetized certain forward cash flow hedges. The resulting unrealized gain of $13 million was recorded in AOCI and will be primarily recognized in earnings in 2025 as the underlying forecasted transactions impact earnings. In fourth quarter 2022, the Company de-designated and monetized certain forward cash flow hedges. The resulting unrealized gain of $27 million was recorded in AOCI and was primarily recognized in earnings in 2023 as the underlying forecasted transactions impacted earnings.

Commodity Hedging

Certain raw material and energy sources used by Eastman, as well as sales of certain commodity products by the Company, are subject to price volatility caused by weather, supply and demand conditions, economic variables and other unpredictable factors. This volatility is primarily related to the market pricing of benzene, ethane, ethylene, natural gas, paraxylene, and propane. In order to mitigate expected fluctuations in market prices, from time to time, the Company enters into option and forward contracts and designates these contracts as cash flow hedges. The Company currently hedges commodity price risks using derivative financial instrument transactions within a rolling three year period. The Company weights its hedge portfolio more heavily in the first year with declining coverage over the remaining periods.

Interest Rate Hedging

Eastman's policy is to manage interest expense using a mix of fixed and variable rate debt. To manage interest rate risk effectively, the Company, from time to time, enters into cash flow interest rate derivative instruments, primarily forward starting swaps and treasury locks, to hedge the Company's exposure to movements in interest rates prior to anticipated debt offerings. These instruments are designated as cash flow hedges.

In 2022, the Company settled the notional amount of $75 million associated with the 2022 forward starting interest rate swap, resulting in a cash gain of $13 million which is included as part of operating activities in the Consolidated Statements of Cash Flows. The recognized gain from cash flow hedges of $1 million is included within "Net interest expense" on the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings and the unrecognized gain of $12 million from cash flow hedges is included in AOCI on the Consolidated Statements of Financial Position.

Fair Value Hedges

Fair value hedges are defined as derivative or non-derivative instruments designated as and used to hedge the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk. The derivative instruments that are designated and qualify as fair value hedges are reported as "Short-term borrowings" or "Long-term borrowings" on the Consolidated Statements of Financial Position at fair value and the changes in fair value of these hedging instruments are offset in part or in whole by corresponding changes in the anticipated fair value of the underlying exposures being hedged. The net of the change in the hedge instrument and item being hedged for qualifying fair value hedges is recognized in earnings in the same period or periods during which the hedged transaction affects earnings. Cash flows from fair value hedges are classified as operating activities in the Consolidated Statements of Cash Flows.

Interest Rate Hedging

Eastman's policy is to manage interest expense using a mix of fixed and variable rate debt. To manage the Company's mix of fixed and variable rate debt effectively, from time to time, the Company enters into interest rate swaps in which the Company agrees to exchange the difference between fixed and variable interest amounts calculated by reference to an agreed upon notional principal amount. These swaps are designated as hedges of the fair value of the underlying debt obligations and the interest rate differential is reflected as an adjustment to interest expense over the life of the swaps.

In third quarter 2024, the Company settled $75 million notional amount designated as an interest rate swap on the 3.80% notes due March 2025, resulting in an immaterial cash loss which is included as part of operating activities in the Consolidated Statements of Cash Flows.

Net Investment Hedges

Net investment hedges are defined as derivative or non-derivative instruments designated as and used to hedge the foreign currency exposure of the net investment in certain foreign operations. The net of the change in the hedge instrument and item being hedged for qualifying net investment hedges is reported as a component of the "Cumulative Translation Adjustment" ("CTA") within AOCI located in the Consolidated Statements of Financial Position. Cash flows from the CTA component are classified as operating activities in the Consolidated Statements of Cash Flows. Recognition in earnings of amounts previously recognized in CTA is limited to circumstances such as complete or substantially complete liquidation of the net investment in the hedged foreign operation. In the event of a complete or substantially complete liquidation of the net investment, cash flows from net investment hedges are classified as investing activities in the Consolidated Statements of Cash Flows.

For derivative cross-currency interest rate swap net investment hedges, gains and losses representing hedge components excluded from the assessment of effectiveness are recognized in CTA within AOCI and recognized in earnings through the periodic swap interest accruals. The cross-currency interest rate swaps designated as net investment hedges are included as part of "Other long-term liabilities", "Other noncurrent assets", "Payables and other current liabilities", or "Other current assets" on the Consolidated Statements of Financial Position. Cash flows from excluded components are classified as operating activities in the Consolidated Statements of Cash Flows.

Eastman enters into fixed-to-fixed cross-currency swaps and designates these swaps to hedge a portion of its net investment in a non-U.S. dollar functional currency denominated subsidiary against foreign currency fluctuations. These contracts involve the exchange of fixed U.S. dollars with fixed foreign currency interest payments periodically over the life of the contracts and an exchange of the notional amounts at maturity.

In 2024, Eastman entered into fixed-to-fixed cross-currency swaps of $50 million (€46 million) maturing December 2028, $200 million (€184 million) maturing September 2029, and $250 million (€230 million) maturing February 2034. Also in 2024, in conjunction with the repayment of the 7.25% debentures due January 2024, the Company terminated fixed-to-fixed cross-currency swaps of $190 million (€165 million) maturing January 2024. The termination of the cross-currency swap resulted in a $9 million gain recognized in CTA. Additionally, in conjunction with the partial repayment of the 3.80% notes due March 2025, the Company terminated a fixed-to-fixed cross-currency swap of $120 million (€104 million) maturing in March 2025. The termination of this cross-currency swap resulted in a $7 million gain recognized in CTA. The related cash flows were classified as investing activities in the Consolidated Statements of Cash Flows.

In 2023, Eastman entered into fixed-to-fixed cross-currency swaps of $300 million (€283 million) maturing March 2033, $50 million (¥6.7 billion) maturing March 2025, $375 million (€340 million) maturing March 2025, and $125 million (€113 million) maturing December 2028. Additionally, Eastman voluntarily terminated and reentered into fixed-to-fixed cross-currency swaps of $375 million (€340 million terminated; €351 million reentered) maturing March 2025, $305 million (€265 million terminated; €285 million reentered) maturing December 2028, and $50 million (¥6.7 billion terminated; ¥7.4 billion reentered) maturing March 2025. The termination of cross-currency swaps in 2023 resulted in a $34 million gain recognized in CTA. The related cash flows were classified as investing activities in the Consolidated Statements of Cash Flows.

In 2022, the Company terminated fixed-to-fixed cross-currency swaps designated to hedge a portion of its net investment in a euro functional currency denominated subsidiary against foreign currency fluctuations. The notional amount terminated was €266 million ($320 million) which was scheduled to mature in August 2022. The termination resulted in a $40 million gain recognized in CTA. The related cash flows were classified as investing activities in the Consolidated Statements of Cash Flows.

Summary of Financial Position and Financial Performance of Hedging Instruments

The following table presents the notional amounts outstanding at December 31, 2024 and 2023 associated with Eastman's hedging programs.

Notional Outstanding	**December 31, 2024**	**December 31, 2023**
Derivatives designated as cash flow hedges:		
Foreign Exchange Forward and Option Contracts (in millions)		
EUR/USD (in EUR)	€428	€405
Commodity Forward and Collar Contracts		
Energy (in million british thermal units)	10	11
Derivatives designated as fair value hedges:		
Fixed-for-floating interest rate swaps (in millions)	—	$75
Derivatives designated as net investment hedges:		
Cross-currency interest rate swaps (in millions)		
EUR/USD (in EUR)	€1,543	€1,354
JPY/USD (in JPY)	¥7,385	¥7,385
Non-derivatives designated as net investment hedges:		
Foreign Currency Net Investment Hedges (in millions)		
EUR/USD (in EUR)	€499	€498

Fair Value Measurements

For additional information on fair value measurement, see Note 1, "Significant Accounting Policies".

All the Company's derivative assets and liabilities are currently classified as Level 2. Level 2 fair value is based on estimates using standard pricing models. These standard pricing models use inputs that are derived from, or corroborated by, observable market data such as interest rate yield curves and currency spot and forward rates. The fair value of commodity contracts is derived using forward curves supplied by an industry recognized and unrelated third party. In addition, on an ongoing basis, the Company compares a subset of its valuations against valuations received from the counterparties to validate the accuracy of its standard pricing models. The Company had no derivatives classified as Level 1 or Level 3 as of December 31, 2024 or December 31, 2023. Counterparties to these derivative contracts are highly rated financial institutions which the Company believes carry minimal risk of nonperformance and the Company diversifies its positions among such counterparties to reduce its exposure to counterparty risk and credit losses. The Company monitors the creditworthiness of its counterparties on an ongoing basis. The Company did not realize a credit loss related to these counterparties during the years ended December 31, 2024 or 2023.

All the Company's derivative contracts are subject to master netting arrangements, or similar agreements, which provide for the option to settle contracts on a net basis when they settle on the same day and in the same currency. In addition, these arrangements provide for a net settlement of all contracts with a given counterparty in the event that the arrangement is terminated due to the occurrence of default or a termination event. The Company does not have any cash collateral due under such agreements.

The Company presents derivative contracts on a gross basis within the Consolidated Statements of Financial Position. The following table presents the financial assets and liabilities valued on a recurring and gross basis and includes where the financial assets and liabilities are located within the Consolidated Statements of Financial Position as of December 31, 2024 and 2023.

The Financial Position and Fair Value Measurements of Hedging Instruments on a Gross Basis

(Dollars in millions)

Derivative Type	Statements of Financial Position Location	December 31, 2024 Level 2	December 31, 2023 Level 2
Derivatives designated as cash flow hedges:			
Foreign exchange contracts	Other current assets	$ 6	$ —
Foreign exchange contracts	Other noncurrent assets	3	—
Derivatives designated as fair value hedges:			
Fixed-for-floating interest rate swap	Other current assets	—	1
Derivatives designated as net investment hedges:			
Cross-currency interest rate swaps	Other current assets	19	8
Cross-currency interest rate swaps	Other noncurrent assets	69	18
Total Derivative Assets		$ 97	$ 27
Derivatives designated as cash flow hedges:			
Commodity contracts	Payables and other current liabilities	$ 4	$ 19
Foreign exchange contracts	Payables and other current liabilities	—	8
Foreign exchange contracts	Other long-term liabilities	—	2
Derivatives designated as fair value hedges:			
Fixed-for-floating interest rate swap	Long-term borrowings	—	3
Derivatives designated as net investment hedges:			
Cross-currency interest rate swaps	Payables and other current liabilities	4	—
Cross-currency interest rate swaps	Other long-term liabilities	54	61
Total Derivative Liabilities		$ 62	$ 93
Total Net Derivative Assets (Liabilities)		$ 35	$ (66)

In addition to the fair value associated with derivative instruments designated as cash flow hedges, fair value hedges, and net investment hedges noted in the table above, the Company had a carrying value of $518 million and $550 million associated with non-derivative instruments designated as foreign currency net investment hedges as of December 31, 2024 and 2023, respectively. The designated foreign currency-denominated borrowings are included as part of "Long-term borrowings" within the Consolidated Statements of Financial Position.

As of December 31, 2024 and 2023, the following amounts were included within the Consolidated Statements of Financial Position related to cumulative basis adjustments for fair value hedges.

(Dollars in millions)	Carrying amount of the hedged liabilities		Cumulative amount of fair value hedging loss adjustment included in the carrying amount of the hedged liability	
Line item in the Consolidated Statements of Financial Position in which the hedged item is included	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Long-term borrowings	$ —	$ 72	$ —	$ (3)

The following table presents the effect of the Company's hedging instruments on Other comprehensive income (loss), net of tax ("OCI") and financial performance for the twelve months ended December 31, 2024, 2023, and 2022:

(Dollars in millions)	Change in amount of after tax gain/(loss) recognized in OCI on Derivatives			Pre-tax amount of gain/(loss) reclassified from AOCI into income		
	December 31,			December 31,		
Hedging Relationships	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
Derivatives in cash flow hedging relationships:						
Commodity contracts	$ 11	$ (14)	$ (11)	$ (25)	$ (10)	$ 36
Foreign exchange contracts	20	(14)	(2)	8	12	45
Forward starting interest rate and treasury lock swap contracts	2	2	10	(3)	(3)	(6)
Non-derivatives in net investment hedging relationships (pre-tax):						
Net investment hedges	33	(30)	85	—	—	—
Derivatives in net investment hedging relationships (pre-tax):						
Cross-currency interest rate swaps	107	(32)	63	—	—	—
Cross-currency interest rate swaps excluded component	(26)	(42)	(1)	—	—	—

The following table presents the effect of fair value and cash flow hedge accounting on the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings for 2024, 2023, and 2022.

Location and Amount of Gain or (Loss) Recognized in Earnings on Fair Value and Cash Flow Hedging Relationships

	Twelve Months								
	2024			2023			2022		
(Dollars in millions)	Sales	Cost of Sales	Net interest expense	Sales	Cost of Sales	Net interest expense	Sales	Cost of Sales	Net interest expense
Total amounts of income and expense line items presented in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings in which the effects of fair value or cash flow hedges are recognized									
	$ 9,382	$ 7,092	$ 200	$ 9,210	$ 7,149	$ 215	$ 10,580	$ 8,443	$ 182
The effects of fair value and cash flow hedging:									
Gain or (loss) on fair value hedging relationships:									
Interest contracts (fixed-for-floating interest rate swaps):									
Hedged items			4			3			2
Derivatives designated as hedging instruments			(4)			(3)			(2)
Gain or (loss) on cash flow hedging relationships:									
Interest contracts (forward starting interest rate and treasury lock swap contracts):									
Amount reclassified from AOCI into earnings			(3)			(3)			(6)
Commodity Contracts:									
Amount reclassified from AOCI into earnings		(25)			(10)			36	
Foreign Exchange Contracts:									
Amount reclassified from AOCI into earnings	8			12			45		

The Company enters into foreign exchange derivatives denominated in multiple currencies which are transacted and settled in the same quarter. These derivatives are not designated as hedges due to the short-term nature and the gains or losses on these derivatives are marked-to-market in the line item "Other (income) charges, net" of the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings. The Company recognized a net gain of $1 million in 2024, a net loss of $5 million in 2023, and net loss of $11 million in 2022 on these derivatives.

Pre-tax monetized positions and MTM gains and losses from raw materials and energy, currency, and certain interest rate hedges that were included in AOCI included gains of $154 million at December 31, 2024 and losses of $4 million at December 31, 2023. The change in AOCI in 2024 compared to 2023 are primarily as a result of a decrease in foreign currency exchange rates, particularly the euro. If realized, approximately $10 million in pre-tax gains will be reclassified into earnings during the next 12 months, including foreign exchange contracts prospectively dedesignated and monetized in 2024.

11. RETIREMENT PLANS

As described below, Eastman offers various postretirement benefits to its employees.

Defined Contribution Plans

Eastman sponsors a defined contribution employee stock ownership plan (the "ESOP"), which is a component of the Eastman Investment Plan and Employee Stock Ownership Plan ("EIP/ESOP"), under Section 401(a) of the Internal Revenue Code. Eastman made a contribution in February 2025 to the EIP/ESOP for substantially all U.S. employees equal to 5 percent of their eligible compensation for the 2024 plan year. Employees may allocate contributions to other investment funds within the EIP from the ESOP at any time without restrictions. Allocated shares in the ESOP totaled 1,865,375; 1,899,512; and 1,871,624 shares as of December 31, 2024, 2023, and 2022, respectively. Dividends on shares held by the EIP/ESOP are charged to retained earnings. All shares held by the EIP/ESOP are treated as outstanding in computing earnings per share ("EPS").

In 2006, the Company amended its EIP/ESOP to provide a Company match of 50 percent of the first 7 percent of an employee's compensation contributed to the plan for employees who are hired on or after January 1, 2007. Employees who are hired on or after January 1, 2007, are also eligible for the contribution to the ESOP as described above.

Charges for domestic contributions to the EIP/ESOP were $81 million, $79 million, and $81 million for 2024, 2023, and 2022, respectively.

Defined Benefit Pension Plans and Other Postretirement Benefit Plans

Pension Plans

Eastman maintains defined benefit pension plans that provide eligible employees with retirement benefits.

Effective January 1, 2000, the Company's Eastman Retirement Assistance Plan, a U.S. defined benefit pension plan, was amended. Employees' accrued pension benefits earned prior to January 1, 2000 are calculated based on previous plan provisions using the employee's age, years of service, and final average compensation as defined in the plans. The amended plan uses a pension equity formula to calculate an employee's retirement benefits from January 1, 2000 forward. Benefits payable will be the combined pre-2000 and post-1999 benefits. Employees hired on or after January 1, 2007 are not eligible to participate in Eastman's U.S. defined benefit pension plans.

Benefits are paid to employees from trust funds. Contributions to the trust funds are made as permitted by laws and regulations. The pension trust funds do not directly own any of the Company's common stock.

Pension coverage for employees of Eastman's non-U.S. operations is provided, to the extent deemed appropriate, through separate plans. The Company systematically provides for obligations under such plans by depositing funds with trustees, under insurance policies, or by book reserves.

Other Postretirement Benefit Plans

Under its other postretirement benefit plans in the U.S., Eastman provides life insurance for eligible retirees hired prior to January 1, 2007. Company funding is also provided for eligible Medicare retirees hired prior to January 1, 2007 with a health reimbursement arrangement. Certain of the Company's non-U.S. operations have supplemental health benefit plans for retirees, the cost of which is not significant to the Company.

Below is a summary balance sheet of the change in benefit obligation and plan assets during 2024 and 2023, the funded status of the plans and amounts recognized in the Consolidated Statements of Financial Position.

Summary of Changes

	Pension Plans				Postretirement Benefit Plans	
	2024		2023		2024	2023
(Dollars in millions)	U.S.	Non-U.S.	U.S.	Non-U.S.		
Change in projected benefit obligation:						
Benefit obligation, beginning of year	$ 1,468	$ 661	$ 1,471	$ 602	$ 480	$ 509
Service cost	21	9	23	7	$ —	—
Interest cost	73	24	77	26	$ 24	26
Actuarial loss (gain)	(29)	(55)	54	36	$ (17)	(11)
Settlement	—	—	—	(11)	$ —	—
Plan participants' contributions	—	1	—	1	$ 2	2
Effect of currency exchange	—	(25)	—	27	$ —	—
Benefits paid	(148)	(23)	(157)	(27)	(43)	(46)
Benefit obligation, end of year	$ 1,385	$ 592	$ 1,468	$ 661	$ 446	$ 480
Change in plan assets:						
Fair value of plan assets, beginning of year	$ 1,348	$ 639	$ 1,405	$ 589	$ 104	$ 106
Actual return on plan assets	62	16	93	40	$ 3	12
Effect of currency exchange	—	(26)	—	27	$ —	—
Company contributions	4	17	7	20	$ 35	35
Reserve for third party contributions	—	—	—	—	$ —	(5)
Plan participants' contributions	—	1	—	1	$ 2	2
Benefits paid	(148)	(23)	(157)	(27)	$ (43)	(46)
Settlements	—	—	—	(11)	—	—
Fair value of plan assets, end of year	$ 1,266	$ 624	$ 1,348	$ 639	$ 101	$ 104
Funded status at end of year	$ (119)	$ 32	$ (120)	$ (22)	$ (345)	$ (376)
Amounts recognized in the Consolidated Statements of Financial Position consist of:						
Other noncurrent assets	$ —	$ 58	$ —	$ 18	$ 57	$ 56
Current liabilities	(4)	—	(3)	—	(36)	(36)
Post-employment obligations	(115)	(26)	(117)	(40)	(366)	(396)
Net amount recognized, end of year	$ (119)	$ 32	$ (120)	$ (22)	$ (345)	$ (376)
Accumulated benefit obligation	$ 1,324	$ 569	$ 1,404	$ 635		
Amounts recognized in accumulated other comprehensive income consist of:						
Prior service (credit) cost	$ —	$ (5)	$ —	$ (6)	$ —	$ (10)

Actuarial gains in the projected benefit obligations for 2024 were primarily due to higher discount rates. Actuarial losses in the projected benefit obligations for the pension plans in 2023 were primarily due to lower discount rates. Actuarial gains in benefit obligations for the postretirement benefit plans in 2023 were primarily due to changes in actuarial assumptions partially offset by lower discount rates.

Information for pension plans with projected benefit obligations in excess of plan assets:

(Dollars in millions)	2024		2023	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Projected benefit obligation	$ 1,385	$ 79	$ 1,468	$ 434
Fair value of plan assets	1,266	53	1,348	394

Information for pension plans with accumulated benefit obligations in excess of plan assets:

(Dollars in millions)	2024		2023	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Accumulated benefit obligation	$ 1,324	$ 55	$ 1,404	$ 408
Fair value of plan assets	1,266	40	1,348	385

Postretirement benefit plans with accumulated benefit obligations in excess of plan assets are $402 million and $432 million at December 31, 2024 and 2023, respectively. The plans have no assets.

Summary of Benefit Costs and Other Amounts Recognized in Other Comprehensive Income

	Pension Plans						Postretirement Benefit Plans		
	2024		2023		2022		2024	2023	2022
(Dollars in millions)	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.			
Components of net periodic benefit (credit) cost:									
Service cost	$ 21	$ 9	$ 23	$ 7	$ 25	$ 11	$ —	$ —	$ —
Interest cost	73	24	77	26	45	14	24	26	14
Expected return on plan assets	(95)	(28)	(88)	(22)	(128)	(31)	(5)	(4)	(4)
Amortization of:									
Prior service (credit) cost	—	(1)	—	—	1	—	(10)	(27)	(31)
Mark-to-market pension and other postretirement benefits loss (gain), net [1]	4	(43)	49	18	112	10	(15)	(14)	(103)
Net periodic benefit (credit) cost	$ 3	$ (39)	$ 61	$ 29	$ 55	$ 4	$ (6)	$ (19)	$ (124)
Other changes in plan assets and benefit obligations recognized in other comprehensive income:									
Curtailment gain	$ —	$ —	$ —	$ —	$ —	$ (4)	$ —	$ —	$ —
Amortization of:									
Prior service (credit) cost	—	(1)	—	—	1	—	(10)	(27)	(31)
Total	$ —	$ (1)	$ —	$ —	$ 1	$ (4)	$ (10)	$ (27)	$ (31)

(1) Includes a curtailment in 2022 triggered by the sale of the adhesives resins business which is included in "Other components of post-employment (benefit) cost, net" on the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings.

In 2022, subsequent to the adhesives resins divestiture, the Company retained pension liabilities of certain plan participants. As such, the status of those participants changed in a Non-U.S. pension plan which triggered a curtailment and an interim MTM remeasurement of the impacted Non-U.S. pension plan's assets and liabilities. A curtailment gain of $7 million, including $3 million reduction in the pension benefit obligation and $4 million of prior service credits recognized immediately, and a MTM gain of $3 million were recognized in 2022.

Settlements are triggered in a plan when distributions exceed the sum of service cost and interest cost of the respective plan. Lump sum payments from a U.S. pension plan resulted in a plan settlement in 2022. The settlement was not material. However, the settlement triggered an interim remeasurement of the impacted U.S. pension plan's assets and liabilities and, as such, the Company recognized a MTM loss of $7 million in 2022.

Plan Assumptions

The assumptions used to develop the projected benefit obligation for Eastman's significant U.S. and non-U.S. defined benefit pension plans and U.S. postretirement benefit plans are provided in the following tables.

	Pension Plans						Postretirement Benefit Plans		
	2024		2023		2022		2024	2023	2022
Weighted-average assumptions used to determine benefit obligations for years ended December 31:	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**			
Discount rate	5.64 %	4.40 %	5.22 %	3.83 %	5.58 %	4.27 %	5.60 %	5.21 %	5.55 %
Interest crediting rate	5.44 %	N/A	5.46 %	N/A	5.48 %	N/A	N/A	N/A	N/A
Rate of compensation increase	3.00 %	3.04 %	3.00 %	3.04 %	3.00 %	3.04 %	N/A	N/A	N/A
Health care cost trend									
Initial							6.25 %	6.50 %	6.00 %
Decreasing to ultimate trend of							5.00 %	5.00 %	5.00 %
in year							2030	2030	2030
Weighted-average assumptions used to determine net periodic cost for years ended December 31:	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**			
Discount rate	5.22 %	3.83 %	5.58 %	4.27 %	2.88 %	1.57 %	5.21 %	5.55 %	2.83 %
Discount rate for service cost	5.22 %	3.38 %	5.59 %	3.95 %	2.95 %	1.31 %	N/A	N/A	N/A
Discount rate for interest cost	5.15 %	3.83 %	5.46 %	4.27 %	2.46 %	1.57 %	5.16 %	5.43 %	2.35 %
Expected return on assets	7.50 %	4.74 %	6.62 %	3.86 %	7.07 %	3.81 %	4.50 %	3.50 %	3.50 %
Rate of compensation increase	3.00 %	3.04 %	3.00 %	3.04 %	3.00 %	3.00 %	N/A	N/A	N/A
Interest crediting rate	5.46 %	N/A	5.48 %	N/A	5.50 %	N/A	N/A	N/A	N/A
Health care cost trend									
Initial							6.50 %	6.00 %	6.00 %
Decreasing to ultimate trend of							5.00 %	5.00 %	5.00 %
in year							2030	2030	2026

The Company calculates service and interest cost components of net periodic benefit costs for its significant defined benefit pension and other postretirement benefit plans by applying the specific spot rates along the yield curve to the plans' projected cash flows.

The fair value of plan assets for the U.S. pension plans at both December 31, 2024 and 2023 was $1.3 billion, while the fair value of plan assets at December 31, 2024 and 2023 for non-U.S. pension plans was $624 million and $639 million, respectively. At both December 31, 2024 and 2023, the expected weighted-average long-term rate of return on U.S. pension plans assets was 7.50 percent. The expected weighted-average long-term rate of return on non-U.S. pension plan assets was 5.01 percent and 4.74 percent at December 31, 2024 and 2023, respectively.

Plan Assets

The following tables reflect the fair value of the defined benefit pension plans assets.

(Dollars in millions)

Description	Total Fair Value		Fair Value Measurements at December 31, 2024					
			Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Pension Assets:	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**
Cash and Cash Equivalents [1]	$ 18	$ 40	$ 18	$ 40	$ —	$ —	$ —	$ —
Public Equity - United States [2]	6	—	6	—	—	—	—	—
Other Investments [3]	—	49	—	—	—	—	—	49
Total Assets at Fair Value	$ 24	$ 89	$ 24	$ 40	$ —	$ —	$ —	$ 49
Investments Measured at Net Asset Value [4]	1,242	535						
Total Assets	$ 1,266	$ 624						

(Dollars in millions)

Description	Total Fair Value		Fair Value Measurements at December 31, 2023					
			Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Pension Assets:	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**	**U.S.**	**Non-U.S.**
Cash and Cash Equivalents [1]	$ 25	$ 49	$ 25	$ 49	$ —	$ —	$ —	$ —
Public Equity - United States [2]	4	—	4	—	—	—	—	—
Other Investments [3]	—	51	—	—	—	—	—	51
Total Assets at Fair Value	$ 29	$ 100	$ 29	$ 49	$ —	$ —	$ —	$ 51
Investments Measured at Net Asset Value [4]	1,319	539						
Total Assets	$ 1,348	$ 639						

(1) Cash and Cash Equivalents: Funds generally invested in actively managed collective trust funds or interest bearing accounts.
(2) Public Equity - United States: Common stock equity securities which are primarily valued using a market approach based on the quoted market prices.
(3) Other Investments: Primarily consist of insurance contracts which are generally valued using a crediting rate that approximates market returns and investments in underlying securities whose market values are unobservable and determined using pricing models, discounted cash flow methodologies, or similar techniques.
(4) Investments Measured at Net Asset Value: The underlying debt, public equity, and public real asset investments in this category are generally held in common trust funds, which are either actively or passively managed investment vehicles, that are valued at the net asset value per unit/share multiplied by the number of units/shares held as of the measurement date. The other alternative investments in this category are valued under the practical expedient method which is based on the most recently reported net asset value provided by the management of each private investment fund, adjusted as appropriate, for any lag between the date of the financial reports and the measurement date.

The following tables reflect the fair value of the postretirement benefit plan assets. The postretirement benefit plan is for the voluntary employees' beneficiary association ("VEBA") trust the Company assumed as part of the Solutia acquisition.

(Dollars in millions)		Fair Value Measurements at December 31, 2024		
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Postretirement Benefit Plan Assets:				
Debt [1]:				
Fixed Income (U.S.)	$ 64	$ —	$ 64	$ —
Fixed Income (Non-U.S.)	22	—	22	—
Total	$ 86	$ —	$ 86	$ —

(Dollars in millions)		Fair Value Measurements at December 31, 2023		
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Postretirement Benefit Plan Assets:				
Cash and Cash Equivalents [2]	$ 2	$ 2	$ —	$ —
Debt [1]:				
Fixed Income (U.S.)	65	—	65	—
Fixed Income (Non-U.S.)	22	—	22	—
Total	$ 89	$ 2	$ 87	$ —

(1) Debt: The fixed income securities are primarily valued upon a market approach, using matrix pricing and considering a security's relationship to other securities for which quoted prices in an active market may be available, or an income approach, converting future cash flows to a single present value amount. Inputs used in developing fair value estimates include reported trades, broker quotes, benchmark yields, and base spreads.

(2) Cash and Cash Equivalents: Funds generally invested in actively managed collective trust funds or interest bearing accounts.

The Company valued assets with unobservable inputs (Level 3), primarily insurance contracts, using a crediting rate that approximates market returns and investments in underlying securities whose market values are unobservable and determined using pricing models, discounted cash flow methodologies, or similar techniques.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Other Investments[1]
(Dollars in millions)	Non-U.S. Pension Plans
Balance at December 31, 2022	$ 45
Unrealized gains	5
Purchases, issuances, sales, and settlements	1
Balance at December 31, 2023	51
Unrealized gains	(3)
Purchases, issuances, sales, and settlements	1
Balance at December 31, 2024	$ 49

(1) Primarily consists of insurance contracts.

The following table reflects the target allocation for the Company's U.S. and non-U.S. pension and postretirement benefit plans assets for 2025 and the asset allocation at December 31, 2024 and 2023, by asset category.

	U.S. Pension Plans			Non-U.S. Pension Plans			Postretirement Benefit Plan		
	2025 Target Allocation	Plan Assets at December 31, 2024	Plan Assets at December 31, 2023	2025 Target Allocation	Plan Assets at December 31, 2024	Plan Assets at December 31, 2023	2025 Target Allocation	Plan Assets at December 31, 2024	Plan Assets at December 31, 2023
Asset category									
Equity securities	41%	42%	40%	25%	23%	22%	—%	—%	—%
Debt securities	36%	37%	39%	57%	60%	62%	100%	100%	100%
Real estate	8%	6%	6%	4%	4%	4%	—%	—%	—%
Other investments (1)	15%	15%	15%	14%	13%	12%	—%	—%	—%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) U.S. primarily consists of private equity and natural resource and energy related limited partnership investments and public real assets. Non-U.S. primarily consists of annuity contracts and alternative investments.

Investment Strategy

Eastman's investment strategy for its defined benefit pension plans is to maximize the long-term rate of return on plan assets within an acceptable level of risk in order to meet or exceed the plan's actuarially assumed long-term rate of return and to minimize the cost of providing pension benefits. A periodic asset/liability study is conducted in order to assist in the determination and, if necessary, modification of the appropriate long-term investment policy for the plan. The investment policy establishes a target allocation range for each asset class and the fund is managed within those ranges. The plans use a number of investment approaches including investments in equity, real estate, and fixed income funds in which the underlying securities are marketable in order to achieve this target allocation. The plans also invest in private equity and other funds. Diversification is created through investments across various asset classes, geographies, fund managers, and individual securities. This investment process is designed to provide for a well-diversified portfolio with no significant concentration of risk. The investment process is monitored by an investment committee that includes senior management.

Eastman's investment strategy for its VEBA trust is to invest in intermediate-term, well diversified, high quality investment instruments, with a primary objective of capital preservation.

The expected rate of return for all plans was determined primarily by modeling the expected long-term rates of return for the categories of investments held by the plans and the targeted allocation percentage against various potential economic scenarios.

The Company made no contributions to its U.S. defined benefit pension plans in 2024 or 2023. For 2025 calendar year, there are no minimum required cash contributions for the U.S. defined benefit pension plans under the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code of 1986, as amended.

Benefit payments are made using a combination of plan assets and cash payments. Most of the Company's pension plans have plan assets that predominately cover pension benefit obligations. The estimated future benefit payments, reflecting expected future service, as appropriate, are as follows:

	Pension Plans		Postretirement Benefit Plans
(Dollars in millions)	U.S.	Non-U.S.	
2025	$ 142	$ 24	$ 44
2026	134	25	43
2027	132	29	43
2028	130	30	42
2029	133	32	41
2030-2034	607	176	184

12. LEASES AND OTHER COMMITMENTS

Leases

There are two types of leases: financing and operating. Both types of leases have associated right-to-use assets and lease liabilities that are valued at the net present value of the lease payments and recognized on the Consolidated Statements of Financial Position. The discount rate used in the measurement of a right-to-use asset and lease liability is the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, the collateralized incremental borrowing rate is used. The Company elected the accounting policy not to apply the recognition and measurement requirements to short-term leases with a term of 12 months or less and do not include a bargain purchase option.

The Company has operating leases, as a lessee, with customary terms that do not include: significant variable lease payments; significant reasonably certain extensions or options required to be included in the lease term; restrictions; or other covenants for real property, rolling stock, and machinery and equipment. Real property leases primarily consist of office space and rolling stock leases primarily for railcars and fleet vehicles. At December 31, 2024 and 2023, right-to-use assets for operating leases of $164 million and $180 million, respectively, are included as a part of "Other noncurrent assets" on the Consolidated Statements of Financial Position. At both December 31, 2024 and 2023, the operating right-to-use assets include $3 million of assets previously classified as lease intangibles and $7 million and $5 million of prepaid lease assets, respectively. Operating lease liabilities are included as a part of "Payables and other current liabilities" and "Other long-term liabilities" on the Consolidated Statements of Financial Position. As of December 31, 2024, financing leases were not material to the Company's financial statements.

As of December 31, 2024, reconciliation of lease payments and operating lease liabilities is provided below:

(Dollars in millions)	Operating lease liabilities
2025	$ 49
2026	38
2027	26
2028	16
2029	8
2030 and beyond	21
Total lease payments	158
Less: amounts of lease payments representing interest	13
Present value of future lease payments	145
Less: current obligations under leases	49
Long-term lease obligations	$ 96

The Company has operating leases, primarily leases for railcars, with terms that require the Company to guarantee a portion of the residual value of the leased assets upon termination of the lease that will expire beginning first quarter 2025. Residual guarantee payments that become probable and estimable are recognized as rent expense over the remaining life of the applicable lease. Management's current expectation is that the likelihood of material residual guarantee payments is remote.

Lease costs during the period and other information is provided below:

(Dollars in millions)	2024	2023	2022
Lease costs:			
Operating lease costs	$ 83	$ 86	$ 67
Short-term lease costs	31	23	45
Sublease income	(8)	(4)	(13)
Total	$ 106	$ 105	$ 99

(Dollars in millions)	2024	December 31, 2023	2022
Other operating lease information:			
Cash paid for amounts included in the measurement of lease liabilities	$ 82	$ 85	$ 67
Right-to-use assets obtained in exchange for new lease liabilities	$ 32	$ 28	$ 69
Weighted-average remaining lease term, in years	6	6	6
Weighted-average discount rate	3.0 %	3.0 %	3.2 %

Debt and Other Commitments

Eastman's obligations are summarized in the following table.

(Dollars in millions) — Payments Due for

Period	Debt Securities	Credit Facilities and Other	Interest Payable	Purchase Obligations	Operating Leases	Other Liabilities	Total
2025	$ 450	$ —	$ 206	$ 228	$ 49	$ 275	$ 1,208
2026	518	—	202	209	38	71	1,038
2027	196	250	178	153	26	83	886
2028	496	—	169	127	16	81	889
2029	495	—	152	96	8	94	845
2030 and beyond	2,612	—	1,201	763	21	1,044	5,641
Total	$ 4,767	$ 250	$ 2,108	$ 1,576	$ 158	$ 1,648	$ 10,507

Estimated future payments of debt securities assumes the repayment of principal upon stated maturity, and actual amounts and the timing of such payments may differ materially due to repayment or other changes in the terms of such debt prior to maturity.

Eastman had various purchase obligations at December 31, 2024 totaling $1.6 billion over a period of approximately 25 years for materials, supplies, and energy incident to the ordinary conduct of business.

Amounts in other liabilities represent the current estimated cash payments required to be made by the Company primarily for pension and other postretirement benefits, accrued compensation benefits, environmental loss contingency estimates, uncertain tax liabilities, and commodity and foreign exchange hedging in the periods indicated. Due to uncertainties in the timing of the effective settlement of tax positions with respect to taxing authorities, management is unable to determine the timing of payments related to uncertain tax liabilities and these amounts are included in the "2030 and beyond" line item.

The amount and timing of pension and other postretirement benefit payments included in other liabilities is dependent upon interest rates, health care cost trends, actual returns on plan assets, retirement and attrition rates of employees, continuation or modification of the benefit plans, and other factors. Such factors can significantly impact the amount and timing of any future contributions by the Company. Excess contributions are periodically made by management in order to keep the plans' funded status above 80 percent under the funding provisions of the Pension Protection Act to avoid partial benefit restrictions on accelerated forms of payment. The Company's U.S. defined benefit pension plans are not currently under any benefit restrictions. See Note 11, "Retirement Plans", for more information regarding pension and other postretirement benefit obligations.

The resolution of uncertainties related to environmental matters included in other liabilities may have a material adverse effect on the Company's consolidated results of operations in the period recognized, however, because of the availability of legal defenses, the Company's preliminary assessment of actions that may be required, and, if applicable, the expected sharing of costs, management does not believe that the Company's liability for these environmental matters, individually or in the aggregate, will be material to the Company's consolidated financial position, results of operations, or cash flows. See "Environmental Costs" in Note 1, "Significant Accounting Policies", and see Note 13, "Environmental Matters and Asset Retirement Obligations", for more information regarding outstanding environmental matters and asset retirement obligations.

Guarantees and claims also arise during the ordinary course of business from relationships with customers, suppliers, joint venture partners, and other parties when the Company undertakes an obligation to guarantee the performance of others if specified triggering events occur. Non-performance under a contract could trigger an obligation of the Company. The Company's current other guarantees include guarantees relating to intellectual property, third-party debt, and other indemnifications and have arisen through the normal course of business. The ultimate effect on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to the final outcome of these claims, if they were to occur. These other guarantees have remaining terms up to 15 years with maximum potential future payments of approximately $160 million in the aggregate, with none of these guarantees being individually significant to the Company's operating results, financial position, or liquidity. Management's current expectation is that future payment or performance related to non-performance under other guarantees is remote. Eastman has letters of credit and surety bonds of approximately $90 million as of December 31, 2024 to support commitments made in the ordinary course of business. The Company does not expect that any claims against or draws on these instruments would have a material adverse effect on the Company.

13. ENVIRONMENTAL MATTERS AND ASSET RETIREMENT OBLIGATIONS

Certain Eastman manufacturing facilities generate hazardous and nonhazardous wastes, of which the treatment, storage, transportation, and disposal are regulated by various governmental agencies. In connection with the cleanup of various hazardous waste sites, the Company, along with many other entities, has been designated a potentially responsible party ("PRP") by the U.S. Environmental Protection Agency under the Comprehensive Environmental Response, Compensation and Liability Act, which potentially subjects PRPs to joint and several liability for certain cleanup costs. In addition, the Company will incur costs for environmental remediation and closure and post-closure under the federal Resource Conservation and Recovery Act. Reserves for environmental contingencies have been established in accordance with Eastman's policies described in Note 1, "Significant Accounting Policies". The resolution of uncertainties related to environmental matters may have a material adverse effect on the Company's consolidated financial statements and related disclosures in the period recognized. However, because of the availability of legal defenses, the Company's preliminary assessment of actions that may be required, and the extended period of time that the obligations are expected to be satisfied, management does not believe that the Company's liability for these environmental matters, individually or in the aggregate, will have a material adverse effect on the Company's future overall financial position, results of operations, or cash flows.

Environmental Remediation and Environmental Asset Retirement Obligations

The Company's net environmental reserve for environmental contingencies, including remediation costs and asset retirement obligations, is included as part of "Other noncurrent assets", "Payables and other current liabilities", and "Other long-term liabilities" on the Consolidated Statements of Financial Position as follows:

(Dollars in millions)	December 31,	
	2024	2023
Environmental contingencies, current	$ 15	$ 10
Environmental contingencies, long-term	269	274
Total	$ 284	$ 284

Environmental Remediation

Estimated future environmental expenditures for undiscounted remediation costs ranged from $252 million to $495 million and from $252 million to $497 million at December 31, 2024 and 2023, respectively. The best estimate or minimum estimated future environmental expenditures of $252 million at both December 31, 2024 and 2023, are considered to be probable and reasonably estimable.

Costs of certain remediation projects included in the environmental reserve are subject to a cost-sharing arrangement with Monsanto Company ("Monsanto") under the provisions of the Amended and Restated Settlement Agreement effective February 28, 2008 (the "Effective Date"), into which Solutia entered with Monsanto upon its emergence from bankruptcy (the "Monsanto Settlement Agreement"). Under the provisions of the Monsanto Settlement Agreement, Solutia, which became a wholly-owned subsidiary of Eastman on July 2, 2012, shares responsibility with Monsanto for remediation at certain locations outside of the boundaries of plant sites in Anniston, Alabama and Sauget, Illinois (the "Shared Sites"). Solutia is responsible for the funding of environmental liabilities at the Shared Sites up to a total of $325 million from the Effective Date. If remediation costs for the Shared Sites exceed this amount, such costs will thereafter be shared equally between Solutia and Monsanto. Including payments by Solutia prior to its acquisition by Eastman, $131 million had been paid for costs at the Shared Sites as of December 31, 2024. As of December 31, 2024, an additional $206 million has been recognized for estimated future remediation costs at the Shared Sites, over a period of approximately 30 years.

Reserves for environmental remediation include liabilities expected to be paid within approximately 30 years. Eastman has letters of credit of approximately $150 million to support certain environmental matters. The Company does not expect that any claims against or draws on these instruments would have a material adverse effect on the Company. The amounts charged to pre-tax earnings for environmental remediation and related charges are recognized in "Cost of sales" and "Other (income) charges, net" on the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings.

Changes in the reserves for environmental remediation liabilities during 2024 and 2023 are summarized below:

(Dollars in millions)	Environmental Remediation Liabilities
Balance at December 31, 2022	$ 245
Changes in estimates recognized in earnings and other	19
Cash reductions	(12)
Balance at December 31, 2023	252
Changes in estimates recognized in earnings and other	13
Cash reductions	(13)
Balance at December 31, 2024	$ 252

Environmental Asset Retirement Obligations

An asset retirement obligation is an obligation for the retirement of a tangible long-lived asset that is incurred upon the acquisition, construction, development, or normal operation of that long-lived asset. Environmental asset retirement obligations consist primarily of closure and post-closure costs. For sites that have environmental asset retirement obligations, the best estimate recognized to date for these environmental asset retirement obligation costs was $32 million at both December 31, 2024 and December 31, 2023.

Other

Eastman's cash expenditures related to environmental protection and improvement were $307 million, $314 million, and $300 million in 2024, 2023, and 2022, respectively, and include operating costs associated with environmental protection equipment and facilities, engineering costs, and construction costs. The cash expenditures above include environmental capital expenditures of approximately $70 million, $65 million, and $60 million in 2024, 2023, and 2022, respectively.

The Company has contractual asset retirement obligations not associated with environmental liabilities. Eastman's non-environmental asset retirement obligations are primarily associated with the future closure of leased manufacturing assets in Pace, Florida and Oulu, Finland. These non-environmental asset retirement obligations were $53 million and $51 million at December 31, 2024 and December 31, 2023, respectively, and are included in "Other long-term liabilities" on the Consolidated Statements of Financial Position.

14. LEGAL MATTERS

From time to time, Eastman and its operations are parties to, or targets of, lawsuits, claims, investigations and proceedings, including product liability, personal injury, asbestos, patent and intellectual property, commercial, contract, environmental, antitrust, health and safety, and employment matters, which are handled and defended in the ordinary course of business. While the Company is unable to predict the outcome of these matters, it does not believe, based upon currently available facts, that the ultimate resolution of any such pending matters will have a material adverse effect on its overall financial position, results of operations, or cash flows.

15. STOCKHOLDERS' EQUITY

A reconciliation of the changes in stockholders' equity for 2024, 2023, and 2022 is provided below:

(Dollars in millions)	Common Stock at Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock at Cost	Total Eastman Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2021	$ 2	$ 2,187	$ 8,557	$ (182)	$ (4,860)	$ 5,704	$ 84	$ 5,788
Net Earnings	—	—	793	—	—	793	3	796
Cash Dividends [1]	—	—	(377)	—	—	(377)	—	(377)
Other Comprehensive (Loss)	—	—	—	(23)	—	(23)	—	(23)
Share-Based Compensation Expense [2]	—	69	—	—	—	69	—	69
Stock Option Exercises	—	9	—	—	—	9	—	9
Other [3]	—	(20)	—	—	—	(20)	(4)	(24)
Share Repurchase [4]	—	70	—	—	(1,072)	(1,002)	—	(1,002)
Balance at December 31, 2022	$ 2	$ 2,315	$ 8,973	$ (205)	$ (5,932)	$ 5,153	$ 83	$ 5,236
Net Earnings	—	—	894	—	—	894	2	896
Cash Dividends [1]	—	—	(377)	—	—	(377)	—	(377)
Other Comprehensive Income	—	—	—	(114)	—	(114)	—	(114)
Share-Based Compensation Expense [2]	—	64	—	—	—	64	—	64
Stock Option Exercises	—	3	—	—	—	3	—	3
Other [3]	—	(14)	—	—	(1)	(15)	2	(13)
Share Repurchase	—	—	—	—	(150)	(150)	—	(150)
Distributions to noncontrolling interest	—	—	—	—	—	—	(15)	(15)
Balance at December 31, 2023	$ 2	$ 2,368	$ 9,490	$ (319)	$ (6,083)	$ 5,458	$ 72	$ 5,530
Net Earnings	—	—	905	—	—	905	3	908
Cash Dividends [1]	—	—	(382)	—	—	(382)	—	(382)
Other Comprehensive Income	—	—	—	5	—	5	—	5
Share-Based Compensation Expense [2]	—	63	—	—	—	63	—	63
Stock Option Exercises	—	41	—	—	—	41	—	41
Other [3]	—	(9)	—	—	(2)	(11)	(1)	(12)
Share Repurchase	—	—	—	—	(300)	(300)	—	(300)
Distributions to noncontrolling interest	—	—	—	—	—	—	(1)	(1)
Balance at December 31, 2024	$ 2	$ 2,463	$ 10,013	$ (314)	$ (6,385)	$ 5,779	$ 73	$ 5,852

(1) Cash dividends includes cash dividends paid and dividends declared, but unpaid.
(2) Share-based compensation expense is the fair value of share-based awards.
(3) Additional paid-in capital includes value of shares withheld for employees' taxes on vesting of share-based compensation awards.
(4) Additional paid-in capital in 2022 included the final settlement of the fourth quarter 2021 accelerated share repurchase program ("the 2021 ASR") and the favorable settlement of the second quarter 2022 accelerated share repurchase program (the "2022 ASR").

Eastman is authorized to issue 400 million shares of all classes of stock, of which 50 million may be preferred stock, par value $0.01 per share, and 350 million may be common stock, par value $0.01 per share. The Company declared dividends per share of $3.26 in 2024, $3.18 in 2023, and $3.07 in 2022.

In 1997 the Company established a benefit security trust to provide a degree of financial security for unfunded obligations under certain unfunded plans. A warrant to purchase up to 6 million shares of par value common stock of the Company was contributed to the trust. The warrant, which remains outstanding, is exercisable by the trustee if the Company does not meet certain funding obligations, which obligations would be triggered by certain occurrences, including a change in control or potential change in control, as defined, or failure by the Company to meet its payment obligations under certain covered unfunded plans. The warrant is excluded from the computation of diluted EPS because the conditions upon which the warrant becomes exercisable have not been met.

In December 2021, the Company's Board of Directors authorized the repurchase of up to $2.5 billion of the Company's outstanding common stock at such times, in such amounts, and on such terms, as determined by management to be in the best interest of the Company and its stockholders (the "2021 authorization"). As of December 31, 2024, a total of 11,612,158 shares have been repurchased under the 2021 authorization for $1.1 billion. Both dividends and share repurchases are key strategies employed by the Company to return value to its stockholders.

During 2024, the Company repurchased 3,001,409 shares of common stock for $300 million. During 2023, the Company repurchased 1,866,866 shares of common stock for a cost of approximately $150 million. During 2022, the Company repurchased 10,710,259 shares of common stock for a cost of $1.1 billion, primarily under the 2022 ASR, and included $100 million from the settlement of the 2021 ASR.

The Company's charitable foundation held 50,798 issued and outstanding shares of the Company's common stock at December 31, 2024, 2023, and 2022 which are included in treasury stock in the Consolidated Statements of Financial Position and excluded from calculations of diluted EPS.

The following table sets forth the computation of basic and diluted EPS:

(In millions, except per share amounts)	For years ended December 31, 2024	2023	2022
Numerator			
Net earnings attributable to Eastman	$ 905	$ 894	$ 793
Denominator			
Weighted average shares used for basic EPS	116.7	118.6	123.5
Dilutive effect of stock options and other award plans	1.2	0.8	1.4
Weighted average shares used for diluted EPS	117.9	119.4	124.9
EPS [1]			
Basic	$ 7.75	$ 7.54	$ 6.42
Diluted	$ 7.67	$ 7.49	$ 6.35

(1) EPS is calculated using whole dollars and shares.

Shares underlying stock options excluded from the 2024, 2023, and 2022 calculations of diluted EPS were 1,234,513, 2,409,208, and 1,398,110, respectively, because the grant price of these options was greater than the average market price of the Company's common stock and the effect of including them in the calculation of diluted EPS would have been antidilutive.

Shares of common stock issued, including shares held in treasury, are presented below:

	For years ended December 31, 2024	2023	2022
Balance at beginning of year	222,762,317	222,348,557	221,809,309
Issued for employee compensation and benefit plans	826,030	413,760	539,248
Balance at end of year	223,588,347	222,762,317	222,348,557

Accumulated Other Comprehensive Income (Loss)

(Dollars in millions)	Cumulative Translation Adjustment	Benefit Plans Unrecognized Prior Service Credits	Unrealized Gains (Losses) on Cash Flow Hedges	Unrealized Losses on Investments	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2022	$ (230)	$ 32	$ (6)	$ (1)	$ (205)
Period change	(67)	(21)	(26)	—	(114)
Balance at December 31, 2023	(297)	11	(32)	(1)	(319)
Period change	(20)	(8)	33	—	5
Balance at December 31, 2024	$ (317)	$ 3	$ 1	$ (1)	$ (314)

Amounts of other comprehensive income (loss) are presented net of applicable taxes. Eastman recognizes deferred income taxes on the cumulative translation adjustment related to branch operations and income from other entities included in the Company's consolidated U.S. tax return. No deferred income taxes are recognized on the cumulative translation adjustment of other subsidiaries outside the United States, as the cumulative translation adjustment is considered to be a component of indefinitely invested, unremitted earnings of these foreign subsidiaries.

Components of total other comprehensive income (loss) recorded in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings are presented below, before tax and net of tax effects:

	For years ended December 31,					
	2024		2023		2022	
(Dollars in millions)	Before Tax	Net of Tax	Before Tax	Net of Tax	Before Tax	Net of Tax
Change in cumulative translation adjustment	$ (1)	$ (20)	$ (56)	$ (67)	$ 7	$ 7
Defined benefit pension and other postretirement benefit plans:						
Amortization of unrecognized prior service credits included in net periodic costs	(11)	(8)	(27)	(21)	(34)	(27)
Derivatives and hedging:						
Unrealized gain (loss) during period	24	18	(36)	(27)	71	53
Reclassification adjustment for (gains) losses included in net income, net	20	15	1	1	(75)	(56)
Total other comprehensive income (loss)	$ 32	$ 5	$ (118)	$ (114)	$ (31)	$ (23)

For additional information regarding the impact of reclassifications into earnings, refer to Note 10, "Derivative and Non-Derivative Financial Instruments", and Note 11, "Retirement Plans".

16. ASSET IMPAIRMENTS, RESTRUCTURING, AND OTHER CHARGES, NET

Components of asset impairments, restructuring, and other charges, net, are presented below:

	For years ended December 31,		
(Dollars in millions)	2024	2023	2022
Tangible Asset Impairments			
AM - Advanced interlayers [(1)]	$ 5	$ —	$ —
	5	—	—
Loss (Gain) on Sale of Previously Impaired Assets			
AM - Advanced interlayers [(2)]	—	—	16
Other - Tire additives [(3)]	—	—	(1)
	—	—	15
Severance Charges			
Corporate cost reduction and business improvement actions[(4)]	21	31	22
AM - Advanced interlayers [(1)]	4	—	—
AM - Performance films [(5)]	—	—	1
Fibers - Acetate Yarn [(6)]	—	—	7
	25	31	30
Restructuring and Other Costs			
Corporate growth and profitability initiatives [(7)]	12	—	—
CI - Singapore [(8)]	—	—	3
AM - Advanced interlayers [(1)(2)]	9	—	2
Fibers - Acetate Yarn [(6)]	—	6	2
	21	6	7
Total	$ 51	$ 37	$ 52

(1) Asset impairment charges, severance charges, and site closure costs in 2024, related to the planned closure of a solvent-based resins production line at an advanced interlayers facility in North America. In addition, inventory adjustments of $4 million and $3 million in the Advanced Materials ("AM") segment and AFP segment, respectively, were recognized in "Cost of sales" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings in 2024 related to this closure.

(2) Loss on sale of previously impaired assets and other restructuring costs in 2022, related to the closure of an advanced interlayers manufacturing facility in North America as part of site optimization.

(3) Gain on sale of previously impaired assets in 2022, for assets associated with divested rubber additives and other product lines of the global tire additives business.

(4) Severance charges related to corporate cost reductions and business improvement actions which are reported in "Other".

(5) Severance charges for site optimizations in 2022 related to the closure of a performance films research and development facility.

(6) Severance charges in 2022 and site closure costs in 2022 and 2023 related to the closure of an acetate yarn manufacturing facility in Europe. In addition, accelerated depreciation of $23 million was recognized in "Cost of sales" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings in 2023 related to the closure of this facility.

(7) Charges related to corporate growth and profitability improvement initiatives which are reported in "Other".

(8) Other restructuring charges in 2022 related to the closure of a manufacturing site in Singapore.

Reconciliations of the beginning and ending restructuring liability amounts are as follows:

(Dollars in millions)	Balance at January 1, 2024	Provision/ Adjustments	Non-cash Reductions/ Additions	Cash Reductions	Balance at December 31, 2024
Non-cash charges	$ —	$ 5	$ (5)	$ —	$ —
Severance costs	26	25	—	(28)	23
Site closure & other restructuring costs	—	21	—	(18)	3
Total	$ 26	$ 51	$ (5)	$ (46)	$ 26

(Dollars in millions)	Balance at January 1, 2023	Provision/ Adjustments	Non-cash Reductions/ Additions	Cash Reductions	Balance at December 31, 2023
Severance costs	$ 34	$ 31	$ —	$ (39)	$ 26
Site closure & other restructuring costs	1	6	—	(7)	—
Total	$ 35	$ 37	$ —	$ (46)	$ 26

(Dollars in millions)	Balance at January 1, 2022	Provision/ Adjustments	Non-cash Reductions/ Additions	Cash Reductions	Balance at December 31, 2022
Severance costs	$ 12	$ 31	$ —	$ (9)	$ 34
Site closure & other restructuring costs	5	21	1	(26)	1
Total	$ 17	$ 52	$ 1	$ (35)	$ 35

Substantially all costs remaining for severance are expected to be applied to the reserves within one year.

17. OTHER (INCOME) CHARGES, NET

	For years ended December 31,		
(Dollars in millions)	2024	2023	2022
Foreign exchange transaction losses (gains), net (1)	$ 11	$ 11	$ 16
(Income) loss from equity investments and other investment (gains) losses, net	—	(10)	(19)
Other, net (2)	36	37	(3)
Other (income) charges, net	$ 47	$ 38	$ (6)

(1) Net impact of revaluation of foreign entity assets and liabilities and effects of foreign exchange non-qualifying derivatives.
(2) Includes environmental and other costs from previously divested or non-operational sites and product lines and adjustments to contingent considerations.

18. SHARE-BASED COMPENSATION PLANS AND AWARDS

2021 Omnibus Stock Compensation Plan

Eastman's 2021 Omnibus Stock Compensation Plan ("2021 Omnibus Plan") was approved by stockholders at the May 6, 2021 Annual Meeting of Stockholders and shall remain in effect until its fifth anniversary. The 2021 Omnibus Plan authorizes the Compensation and Management Development Committee of the Board of Directors to grant awards, designate participants, determine the types and numbers of awards, determine the terms and conditions of awards and determine the form of award settlement. Under the 2021 Omnibus Plan, the aggregate number of shares reserved and available for issuance is 10 million, which consist of shares not previously authorized for issuance under any other plan. The number of shares covered by an award is counted against this share reserve as of the grant date of the award. Shares covered by full value awards (e.g., performance shares and restricted stock awards) are counted against the total number of shares available for issuance or delivery under the plan as 2.5 shares for every one share covered by the award. Any stock distributed pursuant to an award may consist of, in whole or in part, authorized and unissued stock, treasury stock, or stock purchased on the open market. Under the 2021 Omnibus Plan and previous plans, the forms of awards have included restricted stock and restricted stock units, stock options, stock appreciation rights ("SARs"), and performance shares. The 2021 Omnibus Plan is flexible as to the number of specific forms of awards, but provides that stock options and SARs are to be granted at an exercise price not less than 100 percent of the per share fair market value on the date of the grant.

Director Stock Compensation Subplan

Eastman's Amended 2021 Director Stock Compensation Subplan ("Directors' Subplan"), a component of the 2021 Omnibus Plan, remains in effect until terminated by the Board of Directors or the earlier termination of the 2021 Omnibus Plan. The Directors' Subplan provides for structured awards of restricted shares to non-employee members of the Board of Directors. Restricted shares awarded under the Directors' Subplan are subject to the same terms and conditions of the 2021 Omnibus Plan. The Directors' Subplan does not constitute a separate source of shares for grants of equity awards and all shares awarded are part of the 10 million shares authorized under the 2021 Omnibus Plan. Shares of restricted stock are granted on the first day of a non-employee director's initial term of service and shares of restricted stock are granted each year to each non-employee director on the date of the annual meeting of stockholders.

It has been the Company's practice to issue new shares rather than treasury shares for equity awards for compensation plans, including the 2021 Omnibus Plan and the Directors' Subplan, that require settlement by the issuance of common stock and to withhold or accept back shares awarded to cover the related income tax obligations of employee participants. Shares of unrestricted common stock owned by non-employee directors are not eligible to be withheld or acquired to satisfy the withholding obligation related to their income taxes. Shares of unrestricted common stock owned by specified senior management level employees are accepted by the Company to pay the exercise price of stock options in accordance with the terms and conditions of their awards.

Compensation Expense

For 2024, 2023, and 2022, total share-based compensation expense (before tax) of $63 million, $64 million, and $69 million, respectively, was recognized in "Selling, general and administrative expense" in the Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings for all share-based awards of which $8 million, $10 million, and $11 million, respectively, related to stock options. The compensation expense is recognized over the substantive vesting period, which may be a shorter time period than the stated vesting period for qualifying termination eligible employees as defined in the forms of award notice. Stock option compensation expense of $6 million for 2024, $6 million for 2023, and $7 million for 2022 was recognized each year due to qualifying termination eligibility preceding the requisite vesting period.

Stock Option Awards

Options have been granted on an annual basis by the Compensation and Management Development Committee of the Board of Directors under the 2021 Omnibus Plan and predecessor plans to employees. Option awards have an exercise price equal to the closing price of the Company's stock on the date of grant. The term of the options is 10 years with vesting periods that vary up to three years. Vesting usually occurs ratably over the vesting period or at the end of the vesting period. The Company utilizes the Black Scholes Merton option valuation model which relies on certain assumptions to estimate an option's fair value.

The weighted average assumptions used in the determination of fair value for the options awarded in 2024, 2023, and 2022 are provided in the table below:

Assumptions	2024	2023	2022
Expected volatility rate	30.21%	30.55%	28.98%
Expected dividend yield	3.82%	3.31%	2.57%
Average risk-free interest rate	4.34%	4.13%	2.35%
Expected term years	6.7	6.4	6.4

The volatility rate of grants is derived from historical Company common stock price volatility over the same time period as the expected term of each stock option award. The volatility rate is derived by a mathematical formula utilizing the weekly high closing stock price data over the expected term. The expected dividend yield is calculated using the Company's average of the last four quarterly dividend yields. The average risk-free interest rate is derived from the United States Department of Treasury's published interest rates of daily yield curves for the same time period as the expected term. The weighted average expected term reflects the analysis of historical share-based award transactions and includes option swap and reload grants which may have much shorter remaining expected terms than new option grants.

A summary of the activity of the Company's stock option awards for 2024, 2023, and 2022 is presented below:

	2024		2023		2022	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Outstanding at beginning of year	3,824,000	$ 88	3,479,200	$ 88	3,168,500	$ 84
Granted	390,900	$ 86	409,300	$ 85	443,100	$ 113
Exercised	(561,900)	$ 73	(38,200)	$ 68	(122,700)	$ 74
Cancelled, forfeited, or expired	(184,200)	$ 95	(26,300)	$ 94	(9,700)	$ 87
Outstanding at end of year	3,468,800	$ 89	3,824,000	$ 88	3,479,200	$ 88
Options exercisable at year-end	2,691,100		2,974,100		2,534,400	
Available for grant at end of year	5,008,575		6,698,702		8,355,640	

The following table provides the remaining contractual term and weighted average exercise prices of stock options outstanding and exercisable at December 31, 2024:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at December 31, 2024	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Exercisable at December 31, 2024	Weighted-Average Exercise Price
$61-$80	1,038,100	3.9	$ 71	1,007,100	$ 70
$81-$100	1,202,400	6.9	$ 84	571,000	$ 83
$101-$110	882,600	4.6	$ 107	882,600	$ 107
$111-$121	345,700	7.2	$ 121	230,400	$ 121
	3,468,800	5.4	$ 89	2,691,100	$ 89

The range of exercise prices of options outstanding at December 31, 2024 is approximately $61 to $121 per share. The aggregate intrinsic value of total options outstanding and total options exercisable at December 31, 2024 is $30 million and $26 million, respectively. Intrinsic value is the amount by which the closing market price of the stock at December 31, 2024 exceeds the exercise price of the option grants.

The weighted average remaining contractual life of all exercisable options at December 31, 2024 is 4.6 years.

The weighted average fair value of options granted during 2024, 2023, and 2022 was $21.16, $21.67, and $26.80, respectively. The total intrinsic value of options exercised during the years ended December 31, 2024, 2023, and 2022, was $16 million, $1 million, and $6 million, respectively. Cash proceeds received by the Company from option exercises totaled $41 million with a
related tax benefit of $2 million for 2024, $3 million with an immaterial tax benefit for 2023, and $10 million with a related tax benefit of $1 million for 2022. The total fair value of shares vested during the years ending December 31, 2024, 2023, and 2022 was $9 million, $8 million, and $8 million, respectively.

A summary of the changes in the Company's nonvested options during the year ended December 31, 2024 is presented below:

Nonvested Options	**Number of Options**	**Weighted-Average Grant Date Fair Value**
Nonvested at January 1, 2024	849,900	$23.12
Granted	390,900	$21.16
Vested	(403,800)	$22.79
Cancelled, forfeited, or expired	(59,400)	$22.43
Nonvested at December 31, 2024	777,600	$22.35

For nonvested options at December 31, 2024, approximately $1 million in compensation expense will be recognized over the next two years.

Other Share-Based Compensation Awards

In addition to stock option awards, Eastman has awarded long-term performance share awards, restricted stock awards, and SARs. The long-term performance share awards are based upon actual return on capital compared to a target return on capital and total stockholder return compared to a peer group ranking by total stockholder return over a three year performance period. The awards are valued using a Monte Carlo Simulation based model and vest pro-rata over the three year performance period. The number of long-term performance award target shares granted for the 2024-2026, 2023-2025, and 2022-2024 periods were 339 thousand, 406 thousand, and 288 thousand, respectively. The target shares are assumed to be 100 percent of the target shares granted based on the award notice. At the end of the three-year performance period, the actual number of shares awarded can range from zero percent to 250 percent of the target shares granted based on the award notice. The number of restricted stock awards granted during 2024, 2023, and 2022 were 276 thousand, 144 thousand, and 160 thousand, respectively. The fair value of a restricted stock award is equal to the closing stock price of the Company's stock on the date of grant and normally vests over a period of three years. The recognized compensation expense before tax for these other share-based awards in the years ended December 31, 2024, 2023, and 2022 was $54 million, $55 million, and $58 million, respectively. The unrecognized compensation expense before tax for these same type awards at December 31, 2024 was approximately $62 million and will be recognized primarily over a period of two years.

19. SUPPLEMENTAL CASH FLOW INFORMATION

Included in the line item "Other items, net" of the "Operating activities" section of the Consolidated Statements of Cash Flows are specific changes to certain balance sheet accounts as follows:

	For years ended December 31,		
(Dollars in millions)	**2024**	**2023**	**2022**
Current assets	$ (82)	$ 49	$ 22
Other assets	48	45	12
Current liabilities	61	(23)	180
Long-term liabilities and equity	24	83	76
Total	$ 51	$ 154	$ 290

The above changes included transactions such as accrued taxes, deferred taxes, environmental liabilities, monetized positions from raw material and energy, currency, and certain interest rate hedges, equity investment dividends, prepaid insurance, miscellaneous deferrals, value-added taxes, and other miscellaneous accruals.

Cash flows from derivative financial instruments accounted for as hedges are classified in the same category as the item being hedged.

Cash paid for interest and income taxes is as follows:

(Dollars in millions)	For years ended December 31, 2024	2023	2022
Interest, net of amounts capitalized	$ 203	$ 214	$ 179
Income taxes, net of refunds	111	158	78
Non-cash investing activities:			
Outstanding trade payables related to capital expenditures	73	115	64

20. SEGMENT AND REGIONAL SALES INFORMATION

Eastman's products and operations are managed and reported in four operating segments: Advanced Materials ("AM"), Additives & Functional Products ("AFP"), Chemical Intermediates ("CI"), and Fibers. The economic factors that impact the nature, amount, timing, and uncertainty of revenue and cash flows vary among the Company's operating segments and the geographical regions in which they operate. "Other" includes sales and costs related to growth initiatives, including the cellulosics biopolymer platform and circular economy, research and development ("R&D") costs, certain components of pension and other postretirement benefits, and other expenses and income not identifiable to an operating segment and is not included in operating segment results. This operating segment structure is used by the Chief Operating Decision Maker ("CODM"), who has been determined to be the Chief Executive Officer, to make key operating decisions and assess performance of the Company. The CODM evaluates segment operating performance, and makes resource allocation and performance evaluation decisions, based on Adjusted EBIT, defined as the GAAP measure earnings before interest and taxes ("EBIT"), adjusted for non-core, unusual, or non-recurring items. These adjustments allow the CODM to evaluate segment operating performance excluding the effect of transactions, costs, and losses or gains that do not directly result from Eastman's normal, or "core", business and operations, or are otherwise of an unusual or non-recurring nature.

Advanced Materials Segment

In the AM segment, the Company produces and markets polymers, films, and plastics with differentiated performance properties for value-added end-uses in transportation; durables and electronics; building and construction; medical and pharma; and consumables end-markets.

The advanced interlayers product line includes polyvinyl butyral sheet and polyvinyl butyral intermediates. The performance films product line primarily consists of window films and protective films products for aftermarket applied films. The specialty plastics product line consists of two primary products: copolyesters and cellulosic biopolymers.

	Percentage of Total Segment Sales		
Product Lines	**2024**	**2023**	**2022**
Advanced Interlayers	33%	34%	29%
Performance Films	20%	21%	20%
Specialty Plastics	47%	45%	51%
Total	100%	100%	100%

	Percentage of Total Segment Sales		
Sales by Customer Location	**2024**	**2023**	**2022**
United States and Canada	31%	32%	33%
Asia Pacific	37%	35%	35%
Europe, Middle East, and Africa	26%	27%	26%
Latin America	6%	6%	6%
Total	100%	100%	100%

Additives & Functional Products Segment

In the AFP segment, the Company manufactures materials for products in the food, feed, and agriculture; transportation; water treatment and energy; personal care and wellness; building and construction; consumables; and durables and electronics end-markets.

The care additives product line consists of amine derivative-based building blocks and organic acid-based solutions for the production of flocculants, intermediates for surfactants, fumigants, fungicides, and plant growth regulator products. The coatings additives product line can be broadly classified as polymers and additives and solvents and include specialty coalescents, specialty solvents, paint additives, and specialty polymers. The functional amines product lines include methylamines and salts, and higher amines and solvents. In the specialty fluids product line, the Company produces heat transfer and aviation fluids products.

	Percentage of Total Segment Sales		
Product Lines	**2024**	**2023**	**2022**
Care Additives	37%	37%	38%
Coatings Additives	28%	27%	26%
Functional Amines	19%	18%	20%
Specialty Fluids	16%	18%	16%
Total	100%	100%	100%

	Percentage of Total Segment Sales		
Sales by Customer Location	**2024**	**2023**	**2022**
United States and Canada	43%	42%	41%
Asia Pacific	21%	21%	22%
Europe, Middle East, and Africa	30%	31%	30%
Latin America	6%	6%	7%
Total	100%	100%	100%

Chemical Intermediates Segment

Eastman leverages large scale and vertical integration from the cellulosic biopolymers and acetyl and olefins streams to support the Company's specialty operating segments with advantaged cost positions. The CI segment sells excess intermediates beyond the Company's internal specialty needs into end-markets such as industrial chemicals and processing, building and construction, health and wellness, and food and feed.

The intermediates product line produces olefin derivatives, acetyl derivatives, ethylene, and commodity solvents. The plasticizers product line consists of a unique set of primary non-phthalate and phthalate plasticizers and a range of niche non-phthalate plasticizers.

	Percentage of Total Segment Sales		
Product Lines	**2024**	**2023**	**2022**
Intermediates	75%	78%	77%
Plasticizers	25%	22%	23%
Total	100%	100%	100%

	Percentage of Total Segment Sales		
Sales by Customer Location	**2024**	**2023**	**2022**
United States and Canada	70%	71%	70%
Asia Pacific	7%	8%	7%
Europe, Middle East, and Africa	18%	17%	17%
Latin America	5%	4%	6%
Total	100%	100%	100%

Fibers Segment

In the Fibers segment, Eastman manufactures and sells acetate tow and triacetin plasticizers for use in filtration media, primarily cigarette filters; cellulosic filament yarn and staple fibers for use in apparel under the brand Naia™, home furnishings, and industrial fabrics; nonwoven media for use in filtration and friction applications, used primarily in transportation, industrial, and agricultural end-markets; and cellulose acetate flake and acetyl raw materials for other acetate fiber producers.

	Percentage of Total Segment Sales		
Product Lines	**2024**	**2023**	**2022**
Acetate Tow	69%	70%	64%
Acetate Yarn	13%	11%	14%
Acetyl Chemical Products	13%	14%	16%
Nonwovens	5%	5%	6%
Total	100%	100%	100%

	Percentage of Total Segment Sales		
Sales by Customer Location	**2024**	**2023**	**2022**
United States and Canada	21%	21%	25%
Asia Pacific	36%	35%	35%
Europe, Middle East, and Africa	41%	42%	37%
Latin America	2%	2%	3%
Total	100%	100%	100%

(Dollars in millions)	For year ended December 31, 2024 Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers	Total Operating Segments
Sales	$ 3,050	$ 2,862	$ 2,134	$ 1,318	$ 9,364
Cost of sales	2,215	2,107	1,901	775	$ 6,998
Selling, general and administrative expenses	292	204	112	74	$ 682
Other segment items [1]	79	61	20	15	$ 175
Adjusted EBIT	464	490	101	454	1,509
Reconciliation of segment Adjusted EBIT to consolidated earnings before income taxes ("EBT"):					
Other adjusted EBIT [2]					(211)
Non-core items impacting EBIT					
Cost of sales impact from restructuring activities [3]					(7)
Asset impairments, restructuring, and other charges, net [3]					(51)
Mark-to-market pension and other postretirement benefits gain (loss), net [4]					54
Environmental and other costs [5]					(16)
Net interest expense					(200)
Consolidated EBT					$ 1,078

	For year ended December 31, 2024 Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers	Total Operating Segments	Other	Total Consolidated
Depreciation and amortization expense	194	146	99	64	503	6	509
Capital expenditures	403	68	65	42	578	21	599
Assets [6]	5,735	4,608	1,586	1,075	13,004	2,209	15,213

(1) Other segment items for each reportable segment includes research and development expenses, other components of post-employment (benefit) cost, net and other (income) charges, net.
(2) Other is not considered an operating segment. Other includes the following which are not allocated to operating segments: 1) sales and costs from growth initiatives and businesses, 2) pension and other postretirement benefit plans income (expense), net, and 3) other income (charges), net.
(3) See Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", for a description of included items.
(4) Actuarial gains and losses resulting from the changes in discount rates and other actuarial assumptions and the difference between actual and expected returns on plan assets during the period.
(5) Environmental and other costs from previously divested or non-operational sites and product lines.
(6) Segment assets include accounts receivable, inventory, fixed assets, goodwill, and intangible assets.

(Dollars in millions)	Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers	Total Operating Segments
	For year ended December 31, 2023				
Sales	$ 2,932	$ 2,834	$ 2,143	$ 1,295	$ 9,204
Cost of sales	2,221	2,140	1,895	789	$ 7,045
Selling, general and administrative expenses	295	200	119	72	$ 686
Other segment items [(1)]	73	58	18	12	$ 161
Adjusted EBIT	343	436	111	422	1,312
Reconciliation of segment Adjusted EBIT to consolidated EBT:					
Other adjusted EBIT [(2)]					(215)
Non-core items impacting EBIT					
Cost of sales impact from restructuring activities [(3)]					(23)
Asset impairments, restructuring, and other charges, net [(3)]					(37)
Mark-to-market pension and other postretirement benefits gain (loss), net [(4)]					(53)
Environmental and other costs [(5)]					(13)
Net gain on divested business [(6)]					323
Unusual items impacting EBIT					
Steam line incident insurance proceeds [(7)]					8
Net interest expense					(215)
Consolidated EBT					$ 1,087

	Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers	Total Operating Segments	Other	Total Consolidated
	For year ended December 31, 2023						
Depreciation and amortization expense	161	143	103	86	493	5	498
Capital expenditures	608	88	68	36	800	28	828
Assets [(8)]	5,423	4,691	1,600	1,081	12,795	1,838	14,633

(1) Other segment items for each reportable segment includes research and development expenses, other components of post-employment (benefit) cost, net and other (income) charges, net.
(2) Other is not considered an operating segment. Other includes the following which are not allocated to operating segments: 1) sales and costs from growth initiatives and businesses, 2) pension and other postretirement benefit plans income (expense), net, and 3) other income (charges), net.
(3) See Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", for a description of included items.
(4) Actuarial gains and losses resulting from the changes in discount rates and other actuarial assumptions and the difference between actual and expected returns on plan assets during the period.
(5) Environmental and other costs from previously divested or non-operational sites and product lines.
(6) Sale of the Company's operations in Texas City, Texas (excluding the plasticizers operations). See Note 2, "Divestitures", for a description of the transaction.
(7) From the previously reported operational incident at the Kingsport site as a result of a steam line failure (the "steam line incident").
(8) Segment assets include accounts receivable, inventory, fixed assets, goodwill, and intangible assets.

(Dollars in millions)	For year ended December 31, 2022 Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers	Total Operating Segments
Sales	$ 3,207	$ 3,475	$ 2,716	$ 1,022	$ 10,420
Cost of sales	2,451	2,689	2,248	814	8,202
Selling, general and administrative expenses	283	183	104	64	634
Other segment items [1]	78	57	15	4	154
Adjusted EBIT	395	546	349	140	1,430
Reconciliation of segment Adjusted EBIT to consolidated EBT:					
Other adjusted EBIT [2]					(91)
Non-core items impacting EBIT					
Asset impairments, restructuring, and other charges, net [3]					(52)
Mark-to-market pension and other postretirement benefits gain (loss), net [4]					(19)
Environmental and other costs [5]					(15)
Adjustments to contingent consideration					6
Net loss on divested business and transaction costs [6]					(61)
Unusual items impacting EBIT					
Steam line incident costs, net of insurance proceeds [7]					(39)
Net interest expense					(182)
Consolidated EBT					$ 977

	For year ended December 31, 2022 Advanced Materials	Additives & Functional Products	Chemical Intermediates	Fibers	Total Operating Segments	Other	Total Consolidated
Depreciation and amortization expense	163	142	104	61	470	7	477
Capital expenditures	341	99	97	43	580	31	611

(1) Other segment items for each reportable segment includes research and development expenses, other components of post-employment (benefit) cost, net and other (income) charges, net.
(2) Other is not considered an operating segment. Other includes the following which are not allocated to operating segments: 1) sales and costs from growth initiatives and businesses, 2) pension and other postretirement benefit plans income (expense), net, and 3) other income (charges), net.
(3) See Note 16, "Asset Impairments, Restructuring, and Other Charges, Net", for a description of included items.
(4) Actuarial gains and losses resulting from the changes in discount rates and other actuarial assumptions and the difference between actual and expected returns on plan assets during the period.
(5) Environmental and other costs from previously divested or non-operational sites and product lines.
(6) Primarily related to the sale of the adhesives resins business. See Note 2, "Divestitures", for a description of the transaction.
(7) From the previously reported operational incident at the Kingsport site as a result of a steam line failure (the "steam line incident").

(Dollars in millions)	For years ended December 31, 2024	2023	2022
Sales by Segment			
Advanced Materials	$ 3,050	$ 2,932	$ 3,207
Additives & Functional Products [(1)]	2,862	2,834	3,475
Chemical Intermediates [(1)]	2,134	2,143	2,716
Fibers	1,318	1,295	1,022
Total Sales by Operating Segment	9,364	9,204	10,420
Other [(2)]	18	6	160
Consolidated Sales	$ 9,382	$ 9,210	$ 10,580

(1) Prior periods have been recast as a result of the Company's product moves during first quarter 2023.
(2) "Other" in 2022 includes sales revenue from the divested adhesives resins business.

Sales are attributed to geographic areas based on customer location and long-lived assets are attributed to geographic areas based on asset location.

(Dollars in millions) **Geographic Information**	For years ended December 31, 2024	2023	2022
Sales			
United States	$ 3,773	$ 3,794	$ 4,738
China	1,073	974	964
All other foreign countries	4,536	4,442	4,878
Total	$ 9,382	$ 9,210	$ 10,580

	December 31, 2024	2023	2022
Net properties			
United States	$ 4,548	$ 4,494	$ 4,180
All foreign countries	1,067	1,054	980
Total	$ 5,615	$ 5,548	$ 5,160

21. RESERVE ROLLFORWARDS

Valuation and Qualifying Accounts

(Dollars in millions)

	Balance at January 1, 2024	Additions: Charges (Credits) to Cost and Expense	Additions: Other Accounts	Deductions	Balance at December 31, 2024
Reserve for:					
Credit losses	$ 17	$ (2)	$ —	$ —	$ 15
LIFO inventory	421	(46)	—	—	375
Non-environmental asset retirement obligations	51	2	—	—	53
Environmental contingencies	284	13	—	13	284
Deferred tax valuation allowance	183	(8)	511	—	686
	$ 956	$ (41)	$ 511	$ 13	$ 1,413

(Dollars in millions)

	Balance at January 1, 2023	Additions: Charges (Credits) to Cost and Expense	Additions: Other Accounts	Deductions	Balance at December 31, 2023
Reserve for:					
Credit losses	$ 15	$ 2	$ —	$ —	$ 17
LIFO inventory	493	(72)	—	—	421
Non-environmental asset retirement obligations	51	1	—	1	51
Environmental contingencies	274	26	—	16	284
Deferred tax valuation allowance	258	(76)	1	—	183
	$ 1,091	$ (119)	$ 1	$ 17	$ 956

(Dollars in millions)

	Balance at January 1, 2022	Additions: Charges (Credits) to Cost and Expense	Additions: Other Accounts	Deductions	Balance at December 31, 2022
Reserve for:					
Credit losses	$ 17	$ (2)	$ —	$ —	$ 15
LIFO inventory	365	128	—	—	493
Non-environmental asset retirement obligations	51	2	(1)	1	51
Environmental contingencies	281	7	—	14	274
Deferred tax valuation allowance	339	(79)	(2)	—	258
	$ 1,053	$ 56	$ (3)	$ 15	$ 1,091

See Note 1, "Significant Accounting Policies", Note 3, "Inventories", Note 8, "Income Taxes", and Note 13, "Environmental Matters and Asset Retirement Obligations", for additional information.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Eastman maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission ("SEC") rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. An evaluation was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and CFO have concluded that as of December 31, 2024, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives. Management, including the CEO and CFO, does not expect that the Company's disclosure controls and procedures can prevent all possible errors or fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance; judgments in decision-making can be faulty; and breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the acts of one or more persons. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and while the Company's disclosure controls and procedures are designed to be effective under circumstances where they should reasonably be expected to operate effectively, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in any control system, misstatements due to possible errors or fraud may occur and not be detected.

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of the Company's CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and acquisitions and dispositions of assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and the directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of its internal control over financial reporting as of December 31, 2024 based on the framework established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that the Company's internal control over financial reporting was effective as of December 31, 2024.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting that occurred during the quarter ended December 31, 2024 that has materially affected, or is reasonably likely to materially effect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

(b) Director and Officer Trading Arrangements

None of the Company's directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934) adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the three months ended December 31, 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item regarding our directors and nominees is incorporated herein by reference to the sections "The Board of Directors" and "Corporate Governance" as included and to be filed in the Proxy Statement for the 2025 Annual Meeting of Stockholders (the "2025 Proxy Statement"). Information regarding Eastman's executive officers is set forth under the heading "Information About Our Executive Officers" in Part I of this Annual Report on Form 10-K.

The Company has adopted a Code of Ethics and Business Conduct applicable to the Chief Executive Officer, the Chief Financial Officer, and the Controller of the Company. The Company has posted such Code of Ethics and Business Conduct on its website (*www.eastman.com*) in the "Investors -- Corporate Governance" section.

The Company has adopted an insider trading policy governing the purchase, sale, and/or other dispositions of its securities by its directors, officers, employees, and independent consultants and contractors that the Company believes is reasonably designed to promote compliance with insider trading laws, rules, and regulations, and the exchange listing standards applicable to the Company. It is the Company's policy to comply with all applicable securities and state laws when engaging in transactions in Eastman securities.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to the sections "Executive Compensation" and "Director Compensation" as included and to be filed in the 2025 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated herein by reference to the section "Information About Stock Ownership" as included and to be filed in the 2025 Proxy Statement.

Securities Authorized for Issuance Under Equity Compensation Plans

Equity Compensation Plans Approved by Stockholders

Stockholders approved the Company's 2012 Omnibus Stock Compensation Plan, the 2017 Omnibus Stock Compensation Plan, and the 2021 Omnibus Stock Compensation Plan. Although stock and stock-based awards are still outstanding under the 2012 Omnibus Stock Compensation Plan and the 2017 Omnibus Stock Compensation Plan, no shares are available under these plans for future awards. All future share-based awards are made from the 2021 Omnibus Stock Compensation Plan and the Amended 2021 Director Stock Compensation Subplan, a component of the 2021 Omnibus Stock Compensation Plan.

Equity Compensation Plans Not Approved by Stockholders

Stockholders have approved all compensation plans under which shares of Eastman common stock are authorized for issuance.

Summary Equity Compensation Plan Information Table

The following table sets forth certain information as of December 31, 2024 with respect to compensation plans under which shares of Eastman common stock may be issued.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities reflected in Column (a)) (c)
Equity compensation plans approved by stockholders	3,468,800 [1]	$ 89	5,008,575 [2]
Equity compensation plans not approved by stockholders	—	—	—
TOTAL	3,468,800	$ 89	5,008,575

(1) Represents shares of common stock issuable upon exercise of outstanding options granted under Eastman Chemical Company's 2012 Omnibus Stock Compensation Plan, the 2017 Omnibus Stock Compensation Plan, and the 2021 Omnibus Stock Compensation Plan.

(2) Shares of common stock available for future awards under the Company's 2021 Omnibus Stock Compensation Plan, including the Amended 2021 Director Stock Compensation Subplan, a component of the 2021 Omnibus Stock Compensation Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference to the sections "The Board of Directors--Director Independence" and "Corporate Governance--Board Practices" as included and to be filed in the 2025 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated herein by reference to the section "Ratification of Appointment of Independent Registered Public Accounting Firm" as included and to be filed in the 2025 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

ITEM 16. FORM 10-K SUMMARY

None.

EXHIBIT INDEX

Exhibit Number	Description
3.01	Amended and Restated Certificate of Incorporation of Eastman Chemical Company (incorporated herein by reference to Exhibit 3.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012)
3.02	Amended and Restated Bylaws of Eastman Chemical Company (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated December 1, 2022)
4.01	Form of 7.60% Debentures due February 1, 2027 (incorporated herein by reference to Exhibit 4.08 to the Company's Annual Report on Form 10-K for the year ended December 31, 1996)
4.02	Officer's Certificate pursuant to Sections 201 and 301 of the Indenture related to 7.60% Debentures due February 1, 2027 (incorporated herein by reference to Exhibit 4.09 to the Company's Annual Report on Form 10-K for the year ended December 31, 1996)
4.03	Form of 4.8% Note due 2042 (incorporated herein by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K dated June 5, 2012)
4.04	Form of 4.65% Note due 2044 (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated May 15, 2014)
4.05	Form of 3.80% Note due 2025 (incorporated herein by reference to Exhibit 4.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014)
4.06	Form of 1.875% Note due 2026 (incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated November 21, 2016)
4.07	Form of 4.5% Note due 2028 (incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated November 6, 2018)
4.08	Form of 5.750% Note due 2033 (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated March 8, 2023)
4.09	Form of 5.625% Note due 2034 (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated February 20, 2024)
4.10	Form of 5.0% Note due 2029 (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 1, 2024)
4.11	Description of Securities (incorporated herein by reference to Exhibit 4.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019)
10.01	Second Amended and Restated Five-Year Credit Agreement dated as of December 3, 2021 among Eastman Chemical Company, the initial lenders named herein, and Citibank, N.A., as administrative agent, Citibank, N.A. and Mizuho Bank, LTD., as Co-Sustainability Structuring Agents, and Citibank, N.A., BOFA Securities, Inc., JPMorgan Chase Bank, N.A., and Mizuho Bank, LTD., as joint lead arrangers (incorporated herein by reference to Exhibit 10.01 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021)
10.02	Amendment No.1 to the Second Amended and Restated Five-Year Credit Agreement dated as of December 3, 2021 among Eastman Chemical Company, the initial lenders named herein, and Citibank, N.A., as administrative agent, Citibank, N.A. and Mizuho Bank, LTD., as Co-Sustainability Structuring Agents, and Citibank, N.A., BOFA Securities, Inc., JPMorgan Chase Bank, N.A., and Mizuho Bank, LTD., as joint lead arrangers (incorporated herein by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023)
10.03	Third Amended and Restated Five-Year Credit Agreement dated as of February 14, 2024 among Eastman Chemical Company, the initial lenders named herein, and Citibank, N.A., as administrative agent, Citibank, N.A. and Mizuho Bank, LTD., as Co-Sustainability Structuring Agents, and Citibank, N.A., BOFA Securities, Inc., JPMorgan Chase Bank, N.A., and Mizuho Bank, LTD., as joint lead arrangers (incorporated herein by reference to the Exhibit 10.03 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023) **
10.04	Term Loan Agreement dated as of April 14, 2022 (incorporated herein by reference to Exhibit 10.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022)
10.05	Eastman Excess Retirement Income Plan (incorporated herein by reference to Exhibit 10.02 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008) **
10.06	Form of Executive Change in Control Severance Agreements (incorporated herein by reference to Exhibit 10.02 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010) **
10.07	Eastman Unfunded Retirement Income Plan (incorporated herein by reference to Exhibit 10.04 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008) **

EXHIBIT INDEX

Exhibit Number	Description
10.08	Eastman Chemical Company Benefit Security Trust dated December 24, 1997, as amended May 1, 1998 and February 1, 2001 and Amendment Number Three to the Eastman Chemical Company Benefit Security Trust dated January 2, 2002 (incorporated herein by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001 and Exhibit 10.04 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002) **
10.09	Amended and Restated Warrant to Purchase Shares of Common Stock of Eastman Chemical Company, dated January 2, 2002 (incorporated herein by reference to Exhibit 10.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002) **
10.10	Amended and Restated Registration Rights Agreement, dated January 2, 2002 (incorporated herein by reference to Exhibit 10.03 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002) **
10.11	Amended and Restated Eastman Executive Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014) **
10.12	Amended and Restated Eastman Directors' Deferred Compensation Plan (incorporated herein by reference to 10.04 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016) **
10.13	Eastman Unit Performance Plan as amended and restated effective December 5, 2012 (incorporated herein by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012) **
10.14	Form of Indemnification Agreements with Directors and Executive Officers (incorporated herein by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003) **
10.15*	Forms of Performance Share Awards to Executive Officers (2025 - 2027 Performance Period) **
10.16*	2025 Unit Performance Plan — Corporate Performance Measures and Named Executive Office Target Variable Pay Opportunities **
10.17	2012 Omnibus Stock Compensation Plan (incorporated herein by reference to Appendix A to the Company's 2012 Annual Meeting Proxy Statement dated March 21, 2012) **
10.18	2017 Omnibus Stock Compensation Plan (incorporated herein by reference to Appendix A of the Company's 2017 Annual Meeting Proxy Statement dated March 23, 2017) **
10.19	2021 Omnibus Stock Compensation Plan (incorporated herein by reference to Appendix A of the Company's 2021 Annual Meeting Proxy Statement dated March 25, 2021 as amended on April 13, 2021) **
10.20	Amended 2021 Director Stock Compensation Subplan of the 2021 Omnibus Stock Compensation Plan and Form of Restricted Stock Award Notice (incorporated herein by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021) **
10.21	Amended 2021 Director Stock Compensation Subplan of the 2021 Omnibus Stock Compensation Plan and Form of Restricted Stock Award Notice** (incorporated herein by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023) **
10.22	Form of Award Notice for Stock Options Granted to Executive Officers under the 2021 Omnibus Stock Compensation Plan (incorporated herein by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023) **
10.23	Form of Restricted Stock Unit Awards Granted to Executive Officers under the 2021 Omnibus Stock Compensation Plan (incorporated herein by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023) **
19.01*	Eastman Chemical Company Insider Trading Policy
21.01*	Subsidiaries of the Company
23.01*	Consent of Independent Registered Public Accounting Firm
31.01*	Rule 13a – 14(a) Certification by Mark J. Costa, Chief Executive Officer, for the year ended December 31, 2024
31.02*	Rule 13a – 14(a) Certification by William T. McLain, Jr., Senior Vice President and Chief Financial Officer, for the year ended December 31, 2024
32.01*	Section 1350 Certification by Mark J. Costa, Chief Executive Officer, for the year ended December 31, 2024
32.02*	Section 1350 Certification by William T. McLain, Jr., Executive Vice President and Chief Financial Officer, for the year ended December 31, 2024

EXHIBIT INDEX

Exhibit Number	Description
97.01	Eastman Chemical Company Incentive Pay Clawback Policy (incorporated herein by reference to Exhibit 97.01 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023) **
99.01*	2024 Company and Segment Revenue by End-Use Market
99.02*	Product and Raw Material Information
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF*	Inline XBRL Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Label Linkbase Document
101.PRE*	Inline XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Denotes exhibit filed or furnished herewith.

** Management contract or compensatory plan or arrangement filed pursuant to Item 601(b) (10) (iii) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Eastman Chemical Company

By: /s/ Mark J. Costa
Mark J. Costa
Chief Executive Officer

Date: February 14, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
PRINCIPAL EXECUTIVE OFFICER AND DIRECTOR:		
/s/ Mark J. Costa Mark J. Costa	Chief Executive Officer and Director	February 14, 2025
PRINCIPAL FINANCIAL OFFICER:		
/s/ William T. McLain, Jr. William T. McLain, Jr.	Executive Vice President and Chief Financial Officer	February 14, 2025
PRINCIPAL ACCOUNTING OFFICER:		
/s/ Michelle R. Stewart Michelle R. Stewart	Vice President, Chief Accounting Officer and Corporate Controller	February 14, 2025

SIGNATURE	TITLE	DATE
DIRECTORS* (other than Mark J. Costa, who also signed as Principal Executive Officer):		
/s/ Humberto P. Alfonso Humberto P. Alfonso	Director	February 14, 2025
/s/ Brett D. Begemann Brett D. Begemann	Director	February 14, 2025
/s/ Eric L. Butler Eric L. Butler	Director	February 14, 2025
/s/ Linnie M. Haynesworth Linnie M. Haynesworth	Director	February 14, 2025
/s/ Julie F. Holder Julie F. Holder	Director	February 14, 2025
/s/ Renée J. Hornbaker Renée J. Hornbaker	Director	February 14, 2025
/s/ Kim A. Mink Kim A. Mink	Director	February 14, 2025
/s/ James J. O'Brien James J. O'Brien	Director	February 14, 2025
/s/ David W. Raisbeck David W. Raisbeck	Director	February 14, 2025
/s/ Donald W. Slager Donald W. Slager	Director	February 14, 2025

EASTMAN CHEMICAL COMPANY
AWARD NOTICE FOR GRANT OF PERFORMANCE SHARES

Grantee: **[NAME]**

Performance Period: January 1, 2025 through December 31, 2027

Number of Performance Shares Granted ("Target Award"): **[X]**

Grant Date: February [ ], 2025

This Award Notice for the Grant of Performance Shares (this "Award Notice") by and between Eastman Chemical Company ("Company") and the Grantee named above (referred to below as "you") evidences the grant by the Company of performance shares ("Performance Shares" or the "Award") to you on the date stated above (the "Grant Date") and your acceptance of such Performance Shares in accordance with the provisions of the Eastman Chemical Company 2021 Omnibus Stock Compensation Plan, as amended from time to time (the "Plan") and the provisions of the 2025-2027 Performance Share Award Subplan (the "Subplan"). For purposes of this Award Notice, any references to the Plan shall include the Subplan.

The Performance Shares are subject to the terms and conditions set forth in the Plan (which is incorporated herein by reference), any rules and regulations adopted by the Board of Directors of the Company or the Compensation and Management Development Committee (collectively, the "Committee"), and this Award Notice. In the event of any conflict between the provisions of the Plan and the provisions of this Award Notice, the terms, conditions, and provisions of the Plan shall control, and this Award Notice shall be deemed to be modified accordingly. Capitalized terms used in this Award Notice that are not defined herein shall have the meanings set forth in the Plan. For purposes of this Award Notice, "Employer" means the Subsidiary that employs you, if you are not employed directly by the Company.

1. Performance Share Grant. You have been granted the number of Performance Shares specified above as the Target Award. Each Performance Share represents the right to receive a number of shares of the Company's $.01 par value Common Stock ("Common Stock") upon the attainment of specified performance conditions by the Company; provided, however, that any fractional share of Common Stock shall be paid in cash in an amount representing the market value of such fractional share at the time of payment.

2. Performance Conditions. The Performance Shares are subject to the attainment of the following performance conditions as defined in Section 6(c) of the Subplan and as specifically set forth in Exhibit A of this Award Notice (the "Performance Conditions"):

(a) a comparison of the total stockholder return (referred to in the Subplan as "TSR," and reflecting both the change in stock price and the amount of dividends declared) of the Company during the Performance Period, to the TSRs of the companies in the Comparison Group (defined as the group of companies within the Standard and Poor's “Materials Sector” that are classified as chemical companies excluding The Chemours Company and Rayonier Advanced Materials and also including Celanese Corporation, Westlake Chemical Corporation, and Huntsman Corporation; the S&P “Materials Sector” index, identified as Global Industry Classification Standard 15, is an index of industrial companies selected from the S&P “Super Composite 1500” index); and

(b) the arithmetic average for each of the Performance Years during the Performance Period of the Company's average Return on Invested Capital.

3. Vesting of Performance Shares. Subject to Sections 7 and 8 of this Award Notice, if you remain in Continuous Status as a Participant (as further defined in the Plan) with your Employer, the Company or one of its Subsidiaries during the Performance Period, you shall become vested in the number of Performance Shares that is equal to (x) the Target Award multiplied by (y) the multiplier as set forth in Exhibit A of this Award Notice corresponding to the Company's achievement of the Performance Conditions ("Actual Earned Shares").

4. Settlement of Performance Shares. The Company shall direct its transfer agent to issue you one (1) share of Common Stock for each Actual Earned Share in your name or a nominee in book entry, as soon as administratively practicable after the end of the Performance Period and final approval by the Committee, and in any event within 2.5 months after the end of the Performance Period.

5. Non-transferability of Performance Shares; Limitation on Issuance of Shares. The Performance Shares are not transferable except by will or by the laws of descent and distribution, and may not be sold, assigned, pledged or encumbered in any way, whether by operation of law or otherwise. Following the Performance Period, certificates for the shares of Common Stock underlying the Actual Earned Shares may be issued during your lifetime only to you, except in the case of a permanent disability involving mental incapacity. Upon your death, any unissued shares of Common Stock underlying the Actual Earned Shares may be transferred to your legal representative as determined under applicable law, subject to the terms set forth in Section 7 of this Award Notice.

6. Limitation of Rights. You will not have any rights as a stockholder with respect to the shares of Common Stock underlying the Performance Shares until you become the holder of record of such shares following the determination of the Actual Earned Shares upon conclusion of the Performance Period and the issuance of such shares to you pursuant to Section 4 of this Award Notice.

7. Termination of Continuous Status as a Participant.

(a) Upon a termination of your Continuous Status as a Participant (as defined in the Plan) with your Employer, the Company or any of its Subsidiaries by reason of a Qualifying Termination (as defined below) or by reason of death or Disability, or for another approved reason as determined by the Committee (in the case of the executive officers) or the executive officer responsible for Human Resources (in the case of non-executive employees), you (or your legal representative, as applicable) will receive within 2.5 months after the end of the Performance Period, subject to the terms and conditions of the Plan, a pro-rata portion of the Actual Earned Shares that you otherwise would have received had you remained in Continuous Status as a Participant with your Employer, the Company or one of its Subsidiaries during the entire Performance Period based upon the number of full months in which you were in Continuous Status as a Participant during the Performance Period. For purposes of this Award Notice, a "Qualifying Termination" means a termination of your Continuous Status as a Participant by reason of resignation or without Cause when:

- your combined age and years of service with your Employer, the Company and its Subsidiaries equals or exceeds 75;
- you have attained age 55 and 10 years of service with your Employer, the Company and its Subsidiaries;
- you had attained age 50 or greater as of your hire date and you have attained 5 years of service with your Employer, the Company and its Subsidiaries; or
- you have attained age 65.

(b) Upon termination of your Continuous Status as a Participant with your Employer, the Company or any of its Subsidiaries for reasons other than those described in Section 7(a) above, including termination for Cause, your Performance Shares shall be immediately canceled and forfeited. In such event, neither you nor any of your successors, heirs, assigns or personal representatives will thereafter have any further rights or interest in such shares or otherwise in this Award. For purposes of the foregoing, "Cause" shall have the same meaning as set forth in the Plan.

8. Income Tax and Social Insurance Contributions Withholding.

(a) Regardless of any action the Company or your Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and your Employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Shares, including the grant of the Performance Shares, settlement or payment of the Performance Shares pursuant to the attainment of the performance objectives, and the subsequent sale of any shares of Common Stock acquired pursuant to the Performance Shares and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Performance Shares to reduce or eliminate your liability for Tax-Related Items.

(b) Prior to the delivery of shares of Common Stock upon settlement or payment of the Performance Shares pursuant to the attainment of the performance objectives, if your country of residence (and/or your country of employment, if different) requires withholding of Tax-Related Items, the Company shall withhold a sufficient number of whole shares of Common Stock otherwise issuable under the Performance Shares that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld. In cases where the Fair Market Value of the number of whole shares of Common Stock withheld is greater than the Tax-Related Items required to be withheld, the Company shall make a cash payment to you equal to the difference as soon as administratively practicable. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. Alternatively, the Company or your Employer may withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from your regular salary/wages, or from any other amounts payable to you. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Company or through the withholding of cash from your regular salary/wages or any other amounts payable to you, no shares of Common Stock will be issued to you (or your estate) upon settlement or payment of the Performance Shares unless and until satisfactory arrangements (as determined by the Board of Directors) have been made by you with respect to the payment of any Tax-Related Items which the Company and your Employer determine, in their sole discretion, must be withheld or collected with respect to such Award. If you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company or your Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting the Performance Shares, you expressly consent to the withholding of shares of Common Stock and/or the withholding of cash from your regular salary/wages or other amounts payable to you as provided for hereunder. All other Tax-Related Items related to the Performance Shares and any shares of Common Stock delivered in payment thereof are your sole responsibility.

9. Noncompetition; Confidentiality. You will not, without the written consent of the Company, either during your employment with your Employer, the Company or any of its Subsidiaries or thereafter, disclose to anyone or make use of any confidential information which you have acquired during your employment relating to any of the business of your Employer, the Company or any of its Subsidiaries, except as such disclosure or use may be required in connection with your work as an employee of the Company. Nothing in this Agreement shall prohibit an employee from disclosing Confidential Information that (1) is made by me (a) in confidence to a federal, state or local government official; and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. See Eastman's "Notice to Employees Concerning Immunity from Liability for Confidential Disclosure of a Trade Secret to the Government or in a Court Filing." During your employment with your Employer, the Company, or any of its Subsidiaries, and for a period of two (2) years after the termination of such employment, you will not, either as principal, agent, consultant, employee or otherwise, engage in any work or other activity in competition with the Company in the field or fields in which you have worked for your Employer, the Company or any of its Subsidiaries. The provisions in this Section 9 apply separately in the United States and in other countries but only to the extent that its application shall be reasonably necessary for the protection of your Employer, the Company or any of its Subsidiaries. You will forfeit all rights under this Award Notice to or related to the Performance Shares if, in the determination of the Committee (in the case of executive officers) or of the executive officer responsible for Human Resources (in the case of non-executive employees), you have violated any of the provisions of this Section 9, and in that event any payment or other action with respect to the Performance Shares shall be made or taken, if at all, in the sole discretion of the Committee or the executive officer responsible for Human Resources.

10. Restrictions on Issuance of Shares. If at any time the Company determines that listing, registration or qualification of the shares of Common Stock covered by an Award upon any securities exchange or under any state or federal law, or the approval of any governmental agency, is necessary or advisable prior to the delivery of Common Stock subject to the Performance Shares, no such Common Stock may be delivered unless and until such listing, registration, qualification or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

11. Change in Ownership; Change in Control. Sections 13.5 and 13.6 of the Plan contain certain special provisions that will apply in the event of a Change in Ownership or Change in Control, respectively.

12. Adjustment of Terms. If the number of outstanding shares of Common Stock changes through the declaration of stock dividends or stock splits prior to the settlement of the Performance Shares, the shares of Common Stock subject to this Award automatically will be adjusted, according to the provisions of Article 14 of the Plan. In the event of any other change in the capital structure of the shares of Common Stock or other corporate events or transactions involving the Company, the Committee is authorized to make appropriate adjustments to this Award.

13. Adjustment of Actual Grant Amount. The Committee may, in its sole discretion, adjust the Actual Earned Shares to reflect any unusual or infrequent event affecting overall Company performance and business and financial conditions not anticipated when the Performance Conditions were initially determined, such as a merger, acquisition or divestiture involving the Company or its subsidiaries.

14. Reimbursement of Certain Compensation. The Award (including any shares of Common Stock received upon payout of the Award and any amount received for the sale of such shares) is subject to the provisions of the Plan and any applicable law (including the Sarbanes-Oxley Act of 2002, the Dodd-Frank Act, and implementing rules and regulations of the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange (the "NYSE")) or Company policy (including the Eastman Chemical Company Incentive Pay Clawback Policy as adopted by the Committee on October 4, 2023, and the Eastman Chemical Company Compensation Clawback Policy for Detrimental Conduct as adopted by the Committee on December [_], 2024, each as may be amended from time to time consistent with and to conform to SEC and NYSE rules and regulations or otherwise) requiring reimbursement to the Company of certain incentive-based compensation following an accounting restatement due to material non-compliance by the Company with any financial reporting requirement or due to other events or conditions. For purposes of the foregoing, you expressly and explicitly authorize the Company to issue instructions, on your behalf, to any brokerage firm or third-party administrator engaged by the Company to hold your shares of Common Stock and other amounts acquired under the Plan to re-convey, transfer, or otherwise return such shares of Common Stock and/or other amounts to the Company.

15. Repatriation and Legal/Tax Compliance Requirements. If you are a resident of or employed in a country other than the United States, you agree, as a condition of the grant of the Performance Shares, to repatriate all payments attributable to the shares of Common Stock and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of the shares of Common Stock acquired pursuant to this Award) in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by your Employer, the Company or any of its Subsidiaries as may be required to allow your Employer, the Company or any of its Subsidiaries to comply with local laws, rules and regulations in your country of residence (and country of employment, if

different). Finally, you agree to take any and all actions that may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

If you are resident or employed in a country that is a member of the European Union, the grant of the Performance Shares and this Award Notice is intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent that a court or tribunal of competent jurisdiction determines that any provision of this Award Notice is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

16. No Guarantee of Employment. The grant of the Performance Shares shall not create any employment relationship with the Company or any of its Subsidiaries. Further, the grant of the Performance Shares shall not confer upon you any right of continued employment with your Employer nor limit in any way the right of your Employer to terminate your employment at any time.

17. Discretionary Nature of Grant; No Vested Rights. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Performance Shares under the Plan does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of any grant, the number of shares of Common Stock subject to the grant, and the vesting provisions. Any amendment, modification or termination of the Plan or the Subplan shall not constitute a change or impairment of the terms and conditions of your employment with your Employer.

18. Currency Fluctuation. Neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the local currency of your country of residence and the U.S. dollar that may affect the value of the Performance Shares or of any amounts due to you pursuant to the settlement of the Performance Shares or the subsequent sale of any shares of Common Stock acquired upon settlement of the Performance Shares.

19. Termination Indemnities. Your participation in the Plan and Subplan is voluntary. The value of the Performance Shares and any other awards granted under the Plan and Subplan is an extraordinary item of compensation outside the scope of your employment (and your employment contract, if any). Any grant under the Plan or Subplan, including the grant of the Performance Shares, is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.

20. Data Privacy. The Company is located at 200 South Wilcox Drive, Kingsport, Tennessee 37662, U.S.A. and grants Performance Shares under the Plan to employees of the Company and its Affiliates and Subsidiaries in its sole discretion. In conjunction with the Company's grant of the Performance Shares under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the Performance Shares, you expressly and explicitly consent to the Personal Data Activities as described herein..

(a) Data Collection, Processing and Usage. The Company collects, processes and uses your personal data, including your name, home address, email address, and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Performance Shares or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in your favor, which the Company receives from you or your Employer. In granting the Performance Shares under the Plan, the Company will collect your personal data for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of your personal data is your consent.

(b) Stock Plan Administration Service Provider. The Company transfers your personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share your personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for you to receive and trade shares of Common Stock acquired under the Plan. You will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to your ability to participate in the Plan.

(c) International Data Transfers. The Company and the Stock Plan Administrator are based in the United States. You should note that your country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of your personal data to the United States is your consent.

(d) Voluntary Participation and Consequences of Consent Denial or Withdrawal. Your participation in the Plan and your grant of consent is purely voluntary. You may deny or withdraw your consent at any time. If you do not consent, or if you withdraw your consent, you may be unable to participate in the Plan. This would not affect your existing employment or salary; instead, you merely may forfeit the opportunities associated with the Plan.

(e) Data Subjects Rights. You may have a number of rights under the data privacy laws in your country of residence. For example, your rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in your country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of your personal data. To receive clarification regarding your rights or to exercise your rights, you should contact your local HR manager or the Company's Human Resources Department.

21. Private Placement. If you are a resident and/or employed outside of the United States, the grant of the Performance Shares is not intended to be a public offering of securities in your country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities (unless otherwise required under local law), and the Performance Shares are not subject to the supervision of the local securities authorities.

22. Insider Trading/Market Abuse Laws. By participating in the Plan, you agree to comply with the Company's policy on insider trading (to the extent that it is applicable to you). You further acknowledge that, depending on your or your broker's country of residence or where the shares of Common Stock are listed, you may be subject to insider trading restrictions and/or market abuse laws which may affect your ability to accept, acquire, sell or otherwise dispose of the shares of Common Stock, rights to shares of Common Stock (e.g., Performance Shares) or rights linked to the value of shares of Common Stock, during such times you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in your country of employment (and country of residence, if different)). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possess inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees. Any restriction under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions and that you should therefore consult your personal advisor on this matter.

23. Electronic Delivery. The Company, in its sole discretion, may decide to deliver any documents related to the Performance Shares to you under the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

24. English Language. If you are resident outside of the United States, you acknowledge and agree that it is your express intent that the Award Notice, the Plan, the Subplan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Performance Shares, be drawn up in English. You acknowledge that you are sufficiently proficient in English, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this Award Notice. If you have received the Award Notice, the Plan or any other documents related to the Performance Shares translated into a language other than English, and if the meaning of the translated version is different from the English version, the meaning of the English version shall control.

25. Addendum. Notwithstanding any provisions of the Award Notice to the contrary, the Performance Shares shall be subject to any special terms and conditions for your country of residence (and country of employment, if different), as set forth in the applicable Addendum to the Award Notice. Further, if you transfer residence and/or employment to another country reflected in an Addendum to the Award Notice, the special terms and conditions for such country will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Performance Shares, the Plan, and the Subplan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). Any applicable Addendum shall constitute part of the Performance Shares Notice.

26. Additional Requirements. The Company reserves the right to impose other requirements on the Performance Shares, any payment made pursuant to the Performance Shares, and your participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Performance Shares and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

27. Governing Law. This Award Notice shall be construed, administered and governed in all respects under and by the applicable laws of the State of Delaware (USA), excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation to the substantive law of another jurisdiction.

28. Venue. In accepting the Performance Shares grant, you are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of the State of Tennessee of the United States of America to resolve any and all issues that may arise out of or relate to the Performance Shares and the Award Notice.

29. Binding Effect. This Award Notice shall be binding upon the Company and you and its and your respective heirs, executors, administrators and successors.

30. Conflict. To the extent the terms of the Award Notice are inconsistent with the Plan, the provisions of the Plan shall control and supersede any inconsistent provision of the Award Notice.

31. Non-Negotiable Terms. The terms of the Award Notice are not negotiable, but you may refuse to accept the Performance Shares by notifying the Company's executive officer responsible for Human Resources in writing; any such refusal of acceptance will immediately cancel and forfeit the award.

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EASTMAN CHEMICAL COMPANY
2021 OMNIBUS STOCK COMPENSATION PLAN

ADDENDUM TO AWARD NOTICE FOR GRANT OF PERFORMANCE SHARES

In addition to the terms of Eastman Chemical Company 2021 Omnibus Stock Compensation Plan (the “Plan”), the 2025-2027 Performance Share Award Subplan (the "Subplan"), and the Award Notice for the Grant of Performance Shares (the “Award Notice”), the Performance Shares are subject to the following additional terms and conditions as set forth in this addendum to the extent you reside and/or are employed in one of the countries addressed herein (the “Addendum”). All defined terms as contained in this Addendum shall have the same meaning as set forth in the Plan, the Subplan, and the Award Notice. The information contained in this Addendum is based on the securities, exchange control and other laws in effect in the respective countries as of October 2023. To the extent you transfer residence and/or employment to another country, the special terms and conditions for such country as reflected in this Addendum (if any) will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Performance Shares, the Plan, and the Subplan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer).

EXHIBIT A

2025-2027 Performance Share Performance Measure Goals

On file with Eastman Chemical Company

Exhibit 10.15

EASTMAN CHEMICAL COMPANY
PERFORMANCE SHARE AWARD SUBPLAN
OF THE 2021 OMNIBUS STOCK COMPENSATION PLAN
2025-2027 PERFORMANCE PERIOD

Section 1. Background. Under Article 4 of the Eastman Chemical Company 2021 Omnibus Stock Compensation Plan (the "Plan"), the "Committee" (as defined in the Plan), may, among other things, award shares of the $.01 par value common stock ("Common Stock") of Eastman Chemical Company (the "Company") to "Participants" (as defined in the Plan), and such awards may take the form of "Performance Awards" (as defined in the Plan) which are contingent upon the attainment of certain performance objectives during a specified period, and subject to such other terms, conditions, and restrictions as the Committee deems appropriate. The purpose of this Performance Share Award Subplan (this "Subplan") is to set forth the terms of the Performance Awards to be awarded for the 2025-2027 Performance Period specified herein, effective as of January 1, 2025 (the "Effective Date").

Section 2. Definitions.

(1) The following definitions shall apply to this Subplan:

(1). "Actual Grant Amount" means the number of shares of Common Stock to which a participant is entitled under a Performance Award, calculated in accordance with Section 6 of this Subplan.

(2). "Award Amount" means the number of shares of Common Stock subject to the Performance Award granted to the Participant under this Subplan at the beginning of the Performance Period.

(3). "Award Payment Date" means the date the Committee approves the payout of Common Stock covered by an award under this Subplan to a Participant.

(4). "Comparison Group" is the group of companies within the S&P 1500 "Materials Sector" that are classified by Standard & Poor's as chemical companies excluding The Chemours Company and Rayonier Advanced Materials and also including Celanese Corporation, Westlake Chemical Corporation, and Huntsman Corporation. The S&P "Materials Sector" index is an index of industrial companies selected from the S&P "Super Composite 1500" Index.

(5). "Earnings from Continuing Operations" shall be defined as the total sales of the Company minus the costs of all operations of any nature used to produce such sales, including taxes, plus after-tax interest associated with the Company's capital debt (as defined in Section 2(a)(x)). "Sales", "costs of operations", "taxes", and "after-tax interest associated with capital debt" shall be determined and measured in accordance with accounting principles generally accepted in the United States ("GAAP"), as applied in preparing the Company's consolidated financial statements as of the Effective Date, excluding the impact of any subsequent changes during the Performance Period in GAAP or in the manner of application of GAAP in the preparation of the Company's consolidated financial statements, and including the results from any operations which are included in the Company's continuing operations as of the Effective Date and which are subsequently presented as discontinued operations during the Performance Period as a result of a divestiture, subject to adjustment by the Committee (i) to reflect any applicable non-GAAP adjustments publicly disclosed by the Company in its financial results for the relevant period or otherwise made by the Committee in determining corresponding annual performance results under the Company's Unit Performance Plan (or other comparable annual cash performance based management compensation plan or program) for the relevant period, or (ii) to exclude the impact of any merger, acquisition or divestiture which was not included in the long-term earnings forecast used to establish target performance. The Committee may, in its discretion, apply such adjustments only to selected eligible Participants.

(6). “Participation Date” means February [], 2025.

(7). “Performance Period” means January 1, 2025, through December 31, 2027.

(8). “Performance Year” means one of the three calendar years in the Performance Period.

(9). “Qualifying Termination” means a termination of Continuous Status as a Participant when one of the following criteria has been met: combined age and years of service which equals or exceeds 75; age 55 and 10 years of service; or age 50 or greater at hire date, and 5 years of service; or age 65.

(10). “Return on Invested Capital” shall mean the return produced by funds invested in the Company and shall be determined as Earnings from Continuing Operations, as defined in Section 2(a)(v), divided by the Average Capital Employed. “Average Capital Employed” shall be derived by adding the Company’s capital debt plus equity at the close of the last day of the year preceding the Performance Year to the Company’s capital debt plus equity at the close of the last day of the present Performance Year, with the resulting sum being divided by two. “Capital debt” is defined as the sum of borrowing by the Company due within one year and long-term borrowing, as designated on the Company’s balance sheet. The resulting ratio shall be multiplied by One Hundred (100) in order to convert such to a percentage. Such percentage shall be calculated to the third place after the decimal point (*i.e*., xx.xxx%), and then rounded to the second place after the decimal point (*i.e*., xx.xx%). “Equity”, “borrowing due within one year”, and “long-term borrowing” shall be determined and measured in accordance with GAAP, as defined in Section 2(a)(v), as applied in preparing the Company’s consolidated financial statements as of the Effective Date, excluding the impact of any subsequent changes during the Performance Period in GAAP or in the manner of application of GAAP in the preparation of the Company’s consolidated financial statements, and including the results from any operations which are included in the Company's continuing operations as of the Effective Date and which are subsequently presented as discontinued operations during the Performance Period as a result of a divestiture.

(11). “Target Award” means, with respect to any eligible Participant, the targeted value based on the percentage of base salary specified on Exhibit A hereto for the Salary Grade applicable to such Participant.

(12). “TSR” means total stockholder return, as reflected by the sum of (A) change in stock price (measured as the difference between (I) the average of the closing prices of a company’s common stock on the New York Stock Exchange, or of the last sale prices or closing prices of such stock on another national trading exchange, as applicable, in the period beginning on the tenth trading day preceding the beginning of the Performance Period and ending on the tenth trading day of the Performance Period and (II) the average of such closing or last sale prices for such stock in the period beginning on the tenth trading day preceding the end of the Performance Period and ending on the tenth trading day following the end of the Performance Period) plus (B) dividends declared, assuming reinvestment of dividends, and expressed as a percentage return on a stockholder’s hypothetical investment.

(2) Any capitalized terms used but not otherwise defined in this Subplan shall have the respective meanings set forth in the Plan.

Section 3. Administration. This Subplan shall be administered by the Compensation and Management Development Committee of the Board of Directors. The Committee shall have authority to interpret this Subplan, to prescribe rules and regulations relating to this Subplan, and to take any other actions it deems necessary or advisable for the administration of this Subplan, and shall retain all general authority granted to it under Article 4 of the Plan. At the end of the Performance Period, the Committee shall approve Actual Grant Amounts awarded to participants under this Subplan in accordance with the applicable approval and certification requirements specified in the Plan.

Section 4. Eligibility; Types of Awards. The Participants who are eligible to participate in this Subplan are those employees who, as of the Participation Date, are at Salary Grades 49 through 51 and 105 and above. Employees who are promoted during the Performance Period to a position that would meet the above criteria, but who do not hold such position as of the Participation Date, are not eligible to participate in this Subplan.

Section 5. Form of Payout of Awards. Subject to the terms and conditions of the Plan and this Subplan, amounts earned in connection with the Performance Awards under this Subplan shall be paid out in the form of unrestricted shares of Common Stock; provided, however, that any fractional share of Common Stock, payable as a result of Section 9 of this Subplan or otherwise, shall be paid in cash in an amount representing the market value of such fractional share at the time of payment.

Section 6. Size of Awards.

(1) Target Award. Exhibit A hereto shows by Salary Grade the Target Award as a percentage of base salary and the percentage of Performance Awards determined by Salary Grade. The Salary Grade to be used in determining the percentage of base salary for any Award Amount to a Participant under this Subplan shall be the Salary Grade applicable to the position held by the Participant on the Participation Date. The actual size of the Award Amount to the Participant shall be determined by the Committee with respect to Participants who are executive officers of the Company, and by the Committee's senior management delegates in the case of all other Participants, based on the Participant's past performance and potential for contributions to the Company's future long term success. Based on this assessment, the Participant may receive no award, the Target Award, or any amount within the Target Award range of ±25% converted to increments of full Shares. The Committee shall provide its delegates with guidelines for determining the cumulative award targets for Participants who are not executive officers of the Company.

(2) Actual Grant Amount. Subject to the Committee's authority to adjust the Actual Grant Amount described in Section 12, the Actual Grant Amount awarded to the Participant at the end of the Performance Period is determined by multiplying (x) the Participant's Award Amount by (y) a multiplier determined by comparing Company performance relative to two measures set forth in Section 6(c) below (the "Performance Conditions").

(3) Performance Conditions. The Performance Conditions used to determine the award multiplier for the 2025-2027 Performance Awards are as follows:

(1). The Company's TSR during the Performance Period relative to the TSRs of the companies in the Comparison Group during the Performance Period. The Company and each company in the Comparison Group shall be ranked by TSR, in descending order, with the company having the highest TSR during the Performance Period being ranked number one. The Comparison Group shall further be separated into quintiles (first 20%, second 20%, etc.) and the Company's position, in relation to the Comparison Group, shall be expressed as a position in the applicable quintile ranking; and

(2). The arithmetic average, for each of the Performance Years during the Performance Period, of the Company's Return on Invested Capital.

Section 7. Composition of Comparison Group. A company in the Comparison Group may be dropped from the Comparison Group if a company's common stock ceases to be publicly traded on a national stock exchange or market, or if a company is a party to a significant merger, acquisition, or other reorganization. Under these, or similar, circumstances, the company or companies may be removed from the Comparison Group and may be replaced with another company or companies by Standard & Poor's, consistent with their established criteria for selection of companies for the Comparison Group. In any case where the Comparison Group ceases to exist, or is otherwise determined to no longer be appropriate as the basis for a measure under this Subplan, the Committee may designate a replacement Comparison Group. In any such case, the Committee shall have authority to determine the appropriate method of calculating the TSR of such former or replacement Comparison Group, whether by complete substitution of the replacement Comparison Group (and disregard of the former Comparison Group) over the entire Performance Period or by pro rata calculations for each Comparison Group or otherwise.

Section 8. Preconditions to Payout Under Performance Awards.

(1) Continuous Status as a Participant. Except as specified in paragraph (b) below, to be eligible for payout under a Performance Award under this Subplan, a Participant must remain in Continuous Status as a Participant with the Company or a Subsidiary at all times from the Effective Date through the end of the Performance Period.

(2) Qualifying Termination, Death, Disability, or Termination for an Approved Reason Before the Award Payment Date. If a Participant's Continuous Status as a Participant is terminated due to a Qualifying Termination, death, Disability, or any approved reason as determined by the Committee (in the case of an executive officer) or the executive officer responsible for Human Resources (in the case of non-executive officers) prior to the Award Payment Date, the Participant shall receive within 2.5 months after the end of the Performance Period, subject to the terms and conditions of the Plan and this Subplan, a payout representing a prorated portion of the Actual Grant Amount to which such Participant otherwise would have been entitled to receive under Section 6 of this Subplan had the Participant remained in Continuous Status as a Participant to the end of the Performance Period, with the precise amount of such payout to be determined by multiplying the Actual Grant Amount by a fraction, the numerator of which is the number of full calendar months of Continuous Status as a Participant in the Performance Period from the award effective date through and including the effective date of such termination, and the denominator of which is 36 (the total number of months in the Performance Period).

Section 9. Manner and Timing of Award Payments.

(a) Timing of Award Payment. If any Awards are payable under this Subplan, the payment of such Awards to Participants shall be made as soon as is administratively practicable after final approval by the Committee of such payments and within 2.5 months immediately following the end of the Performance Period.

(b) Tax Withholding. The Company may withhold or require the grantee to remit a cash amount sufficient to satisfy federal, state, and local taxes (including the participant's FICA obligation) required by law to be withheld. Further, either the Company or the grantee may elect to satisfy the withholding requirement by having the Company withhold shares of Common Stock having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction.

Section 10. No Rights as Stockholder. No certificates for shares of Common Stock shall be issued under this Subplan, nor shall any participant have any rights as a stockholder as a result of participation in this Subplan, until the Actual Grant Amount has been determined and such participant has otherwise become entitled to an Award under the terms of the Plan and this Subplan. In particular, no participant shall have any right to vote or to receive dividends on any shares of Common Stock under this Subplan until certificates for such shares have been issued as described above.

Section 11. Application of Plan. The provisions of the Plan shall apply to this Subplan, and the provisions of this Subplan shall be interpreted in a manner consistent with the terms of the Plan.

Section 12. Adjustment of Actual Grant Amount. In addition to adjustment of GAAP financial performance measures under Section 2(a)(v), the Committee may, in its sole discretion, adjust the Actual Grant Amount to reflect any unusual or infrequent event affecting the overall Company performance and business and financial conditions not anticipated when the Performance Conditions were initially determined, such as a merger or acquisition involving the Company or its subsidiaries.

Section 13. Reimbursement of Certain Compensation Following Restatement. The Award (including any shares of Common Stock received upon payout of the Award and any amount received for the sale of such shares) is subject to the provisions of the Plan and any applicable law (including the Sarbanes-Oxley Act of 2002, the Dodd-

Frank Act, and implementing rules and regulations of the Securities and Exchange Commission (the “SEC”) and the New York Stock Exchange (the “NYSE”)) or Company policy (including the Eastman Chemical Company Incentive Pay Clawback Policy as adopted by the Committee on October 4, 2023, and as may be amended from time to time consistent with and to conform to SEC and NYSE rules and regulations) requiring reimbursement to the Company of certain incentive-based compensation following an accounting restatement due to material non-compliance by the Company with any financial reporting requirement or due to other events or conditions.

Section 14. Recoupment in Event of Misconduct. If the Company or the Committee (in the case of executive officers) determines that the Participant has engaged in any criminal conduct, including embezzlement, fraud or theft, that involves or is related to the Company, or any other conduct that violates the Eastman Code of Business Conduct, and such Participant has received or is entitled to receive performance share awards, restricted stock units, stock options, or cash incentive compensation (collectively, "Incentive Compensation"), then the Company shall have the right to cancel the Incentive Compensation, require the return of shares acquired under the Plan, recapture any gain realized upon the sale of shares acquired under the Plan or take any other action it deems appropriate under the circumstances with respect to recouping the Incentive Compensation. The Company or the Committee (in the case of executive officers) shall have sole discretion in determining whether the Participant's conduct was in compliance with applicable Law or Company policy and the extent to which the Company or Committee will seek recovery of the Incentive Compensation notwithstanding any other remedies available to the Company.

Section 15. Amendments. The Committee may, from time to time, amend this Subplan in any manner.

Section 16. Code Section 409A. All Performance Awards granted under this Subplan shall be subject to the provisions of the Plan concerning Internal Revenue Code Section 409A, which provisions shall be incorporated into this Subplan by reference.

EXHIBIT A
Eastman Chemical Company
Performance Share Award Grant Table
2025-2027 Cycle

On File with Eastman Chemical Company

EXHIBIT B
2025-2027 Performance Share Award Payout Performance Measures Multiplier Table

On File with Eastman Chemical Company

Exhibit 10.16

2025 Unit Performance Plan -- Corporate Performance Measures and Named Executive Officer Target Variable Pay Opportunities

On December 4, 2024 the Compensation and Management Development Committee (the “Compensation Committee”) of the Board of Directors of Eastman Chemical Company (the “Company”) approved the corporate performance measures, eligible employees (including the executive officers), and target variable pay opportunities for the 2025 Unit Performance Plan (the "UPP").

For 2025, UPP corporate performance will be measured: (i) 40% by GAAP earnings before interest and taxes, adjusted by the Committee to exclude non-core and any unusual or non-recurring items (typically the same non-core and any unusual or non-recurring items as those excluded from earnings in the non-GAAP financial measures disclosed by the Company in its public financial results disclosures) (“adjusted EBIT”); (ii) 40% by “modified operating cash flow,” defined as GAAP net cash provided by operating activities, subject to adjustment by the Committee for any unusual, non-core, or non-recurring cash sources or uses distortive of operating cash flow; and (iii) 20% by strategic measures related to safety, new business generation revenue, and engagement.

The target 2025 adjusted EBIT and operating cash flow and corresponding target UPP payout amount will be approved by the Board of Directors. The Compensation Committee will approve the 2025 UPP cash payout amount in early 2026 based upon actual adjusted EBIT, operating cash flow, and strategic measures compared to performance against the pre-set targets.

The UPP payout for the executive officers will be determined by aggregating their individual target variable pay amounts multiplied by a "performance factor" corresponding to the Committee’s evaluation of overall performance compared to pre-established organizational and personal performance objectives. For 2025, the target variable pay for performance that meets the pre-established objectives under the UPP (expressed as a percentage of annual base salary) for the principal executive officer, the principal financial officer, and the current other executive officers for whom executive compensation disclosure was provided in the Company's 2025 Annual Meeting Proxy Statement (the “named executive officers”) will be 150% for Chief Executive Officer Mark J. Costa, 100% for each of Executive Vice President and Chief Financial Officer William T. McLain, Jr., and Executive Vice President and Chief Commercial Officer Brad A. Lich, 90% for B. Travis Smith, Executive Vice President, Additives and Functional Products, Manufacturing, Worldwide Engineering & Construction, and Health, Safety and Environment, and 85% for Stephen G. Crawford, Executive Vice President, Methanolysis Operations and Worldwide Engineering & Construction Transformation.

After the end of 2025, in connection with the determination of the amount of the total UPP award available to the executive officers, the Chief Executive Officer will assess the other executives' individual performance against pre-established goals and expectations and recommend to the Compensation Committee the amounts of the individual payouts. Based on the Chief Executive Officer's assessment, the Compensation Committee will determine the UPP payouts to the executive officers for 2025 in early 2026. The Compensation Committee will review the CEO's performance against his individual financial, organizational, and strategic objectives and determine his payout for 2025 in early 2026. The UPP payouts, if any, to the CEO and other executive officers for 2025 will be disclosed in the Company's Proxy Statement for its 2026 Annual Meeting of Stockholders.

EASTMAN CHEMICAL COMPANY

<u>Insider Trading Policy</u>

Purpose and Objective

The Eastman Chemical Company ("**Eastman**" or the "**Company**") Insider Trading Policy (this "**Policy**") is intended to: (i) reinforce compliance with applicable federal and state securities laws by the Company and its subsidiaries, and all directors, officers and employees thereof; and (ii) prevent improper trading in Eastman securities or those of Eastman joint venture partners, suppliers, customers and others with which the Company and its subsidiaries may have contractual relationships or may be negotiating transactions. In addition, this Policy outlines potential legal consequences and disciplinary actions for trading on the basis of material nonpublic information or sharing such information with others who may do so.

I. <u>BACKGROUND</u>

A. Scope

This Policy applies to members of the Board of Directors, executive officers, employees, independent consultants and contractors of the Company and its subsidiaries (collectively, the "**Company Persons**" and each a "**Company Person**").

Except as set forth explicitly in Section IV below, this Policy applies to any and all transactions in Eastman's securities, including transactions in common stock, options, preferred stock, restricted stock, restricted stock units, and any other type of securities that the Company may issue, including securities exchangeable into the Company's securities, whether or not issued by the Company, such as exchange-traded options (collectively, "**Eastman Securities**"). This Policy also applies to transactions in the securities of other public companies. This Policy applies to such securities regardless of whether they are held in a brokerage account, a 401(k) or similar account, through an employee stock purchase plan or otherwise.

B. General

Transacting in Eastman Securities while aware of material nonpublic information, or the disclosure of such information to others who may trade on the basis of that information ("**tipping**"), is prohibited by federal and state securities laws. In addition, Eastman and its directors and officers could be penalized as controlling persons of employees who trade on material nonpublic information even if not involved in the prohibited activities where the Company has failed to take appropriate steps to prevent such trading.

C. Legal Penalties

The penalties for insider trading are severe, and can include disgorgement of unlawful profits from, or losses avoided as a result of, trading or tipping, civil penalties of up to three times the profit gained or loss avoided, being barred from service as an officer or director of a public company, criminal fines of up to $5,000,000 for individuals and/or a jail term of up to 20 years.

D. Eastman Disciplinary Action

In addition to the legal penalties described above, disciplinary action for violation of this Policy may include termination of employment.

II. STATEMENT OF POLICY

A. Restrictions on Trades in Eastman Securities and Use of Company Information

In the course of performing their job duties, Company Persons may come into possession of confidential, proprietary, and highly sensitive information concerning not only Eastman but also subsidiaries, joint venture partners, suppliers, customers, and others with which the Company and its subsidiaries may have contractual relationships or may be negotiating transactions. Much of this information has the potential to affect the market price of securities issued by the companies involved and, as such, may be material information.

No Company Person may, while in possession of material non-public information about the Company:

- trade, donate or otherwise engage in any transactions, directly or indirectly, in any Company Securities, except as described elsewhere in this Policy;
- make recommendations or express opinions about trading in Eastman Securities on the basis of such information;
- engage in tipping with any third party, including Family Members (as defined below); or
- assist anyone in the above activities.

B. What is Material Nonpublic Information

Information is generally considered “**material**” if there is a reasonable likelihood that an investor would consider it important in making investment decisions, or if the information is reasonably certain to have an effect on the price of a company’s securities. Moreover, it should be remembered that plaintiffs who challenge and judges who rule on particular transactions have the benefit of hindsight.

Examples of material information may include, among other things: financial results; strategic plans, including the timing of new products or services; the public or private sale of a significant amount of securities of the Company; significant capital investment plans; a significant cybersecurity incident or investigation of a potential incident; negotiations concerning mergers, acquisitions or dispositions; major new contracts (or the loss of a major contract); other favorable or unfavorable business or financial developments, projections or prospects; a change in control or a significant change in management; impending securities splits; dividend changes and significant litigation or regulatory exposure due to actual or threatened litigation, investigation or enforcement activity, or significant developments related thereto.

Information about the Company is considered “**nonpublic**” information until it is disseminated in a manner calculated to reach the marketplace through recognized channels of distribution and public investors have had a reasonable period of time to react to the information. Generally, information which has not been available to the investing public for at least two (2) full trading days (as defined below) is considered to be nonpublic. Recognized channels of distribution include, among others, Company press releases, Forms 8-K, 10-Q or 10-K, prospectuses and the Company’s website at Eastman.com.

If in doubt as to whether information is public or material, please contact the Office of the Corporate Secretary at ______________________________.

C. Safeguarding Material Nonpublic Information

All Company Persons must maintain the confidentiality of material nonpublic information to comply with federal and state securities laws and for competitive, security and other business reasons. In addition to the prohibition against transacting in Eastman Securities while in possession of material nonpublic information or tipping such information to others, federal and state securities laws prohibit the selective disclosure of material nonpublic information.

Company Persons should not disclose any material nonpublic information (or any other confidential information) to others except persons within the Company who have a need to know or third-party agents of the Company (*e.g.*, lawyers, accountants, investment bankers) whose positions or responsibilities require knowledge of the information. Material nonpublic information should not be conveyed to a third-party agent until an express understanding has been reached that such information: (i) is not to be used for trading purposes; and (ii) may not be further disclosed except as authorized by the Company. Prior to disclosing such information to a third-party agent, please consult with the Legal Department to inquire whether a written Confidentiality or Nondisclosure Agreement is required.

D. Restrictions on Trading in Securities of Other Public Companies

Company Persons who, in the course of service to Eastman, learn of material nonpublic information about another company (i) with which Eastman does business, such as the Company's joint venture partners, suppliers, customers and others, or (ii) that is involved in a potential transaction or business relationship with the Company, owe a duty to keep confidential any such information, and consequently may not trade in securities of the Company or such third party based upon such information until the information becomes public or is no longer material. It is a violation of this Policy for any director, officer or employee to buy or sell securities while in possession of material, nonpublic information regarding the issuer of such securities.

From time to time Company Persons may express an interest in purchasing, for their own account, shares of stock of entities in which Eastman has an ownership interest in connection with Eastman ventures, including companies in which Eastman is a minority shareholder or joint venture companies in which Eastman is a partner or owner. Under the right circumstances, this can be considered an expression of confidence in ventures in which Eastman has played an important role. Any such personal investments should be made with care, mindful of the potential appearance of a conflict that such investments could create and made at a time when the employee is not in possession of material nonpublic information.

E. Restrictions on People and Entities Close to Company Persons

Except as otherwise agreed to in writing by the Company, this Policy and the procedures herein also apply to the Family Members of Company Persons and the securities transactions of such persons (including corporations, limited liability companies, partnerships, other entities, trusts and estates) or accounts over which Company Persons (or such person's Family Members) exercise investment discretion or control (such as a person's service as an officer or partner of an organization or as a fiduciary of a trust that trades securities). "**Family Members**" means a person's spouse, partner, minor children, adult children primarily dependent for financial support and any relatives living in such person's home.

F. Prohibitions on Hedging, and Speculative Transactions in Eastman Securities

Insiders are prohibited from engaging in any hedging transactions (including transactions involving options, puts, calls, prepaid variable forward contracts, equity swaps, collars and exchange funds or other derivatives) that are designed to hedge or speculate on any change in the market value of Eastman Securities. Notwithstanding the foregoing, Company Persons may exercise stock options granted by Eastman in accordance with this Policy, other Company policies and the terms of the applicable stock option grant.

In addition, Insiders may not engage in Short Sales of Eastman Securities. A **“Short Sale”** is the sale of securities that are not then owned by the person selling such securities. In other words, the seller borrows and then sells the securities with the hope that the price of the securities will fall and allow that seller to repurchase and return the borrowed securities at a lower price. Thus, a Short Sale of Eastman Securities puts the best interest of the Company and its stockholders (i.e., an increase in the price of the security) in conflict with the short seller’s potential for personal gain (i.e., a decrease in the price of the security).

G. Pledging of Securities, Margin Accounts

Pledged securities may be sold by the pledgee without the pledgor’s consent under certain conditions. For example, securities held in a margin account may be sold by a broker without the customer’s consent if the customer fails to meet a margin call. Because such a sale may occur at a time when a director, officer or employee possesses material nonpublic information or is otherwise not permitted to trade in Eastman Securities, the Company prohibits Company Persons from pledging Eastman Securities in any circumstance, including by purchasing Eastman Securities on margin, holding Eastman Securities in a margin account or pledging Eastman Securities as collateral for a loan.

H. Transactions by the Company

From time to time, Eastman may engage in transactions in its own securities. It is Eastman’s policy to comply with all applicable securities and state laws when engaging in transactions in Eastman’s securities.

III. ADDITIONAL PROCEDURES FOR DIRECTORS AND CERTAIN EMPLOYEES

Eastman has adopted the following additional procedures for “**Insiders**”, who include members of the Board of Directors, executive officers and certain other employees of the Company, as identified by Law Department in consultation with senior management, who regularly may have access to material nonpublic information about the Company. The Office of the Corporate Secretary will inform officers and other employees if they have been designated as an Insider for purposes of these additional procedures.

A. Trading Window and Blackout Periods

Insiders are generally permitted to engage in transactions in Eastman Securities outside of the period commencing on the eighth calendar day of the last calendar month of each fiscal quarter through the second trading day following the Company’s earnings release (each, a “**blackout period**”). Thus, the “**trading window**” runs from the third trading day following an earnings release through the seventh calendar day of the last calendar month of each fiscal quarter. In other words, if the Company releases earnings on a Thursday after the market closes, the trading window would open on the following Tuesday, provided the New York Stock Exchange is open for trading on the intervening Friday and Monday. For purposes of this Policy , “**trading day**” is defined as a day on which the New York Stock Exchange is open for trading. These trading windows are not “safe harbors” that ensure compliance with federal and state securities laws. **Transactions in Eastman Securities during open trading windows are permitted only if the Insider is not aware of any material nonpublic information at the time of the trade.**

B. Event-Specific Blackout Periods

From time to time, significant events or developments may occur that require the Chief Legal Officer and Corporate Secretary or the Office of the Corporate Secretary to designate an unplanned blackout period (an **"Event-Specific Blackout Period"**) for individuals with knowledge of the significant event or development (the "**designated persons**"). So long as the event or development remains material and nonpublic, the designated persons may not transact in Eastman Securities. Any person made aware of the existence of the Event-Specific Blackout Period shall not disclose the existence of the Event-Specific Blackout Period to any other person.

C. Pre-Clearance Procedures

All transactions in Eastman Securities by an Insider must be pre-cleared through the Chief Legal Officer and Corporate Secretary or the Office of the Corporate Secretary prior to the transaction; provided however, that all transactions in Eastman Securities by a non-executive director shall be approved by the Chief Legal Officer and Corporate Secretary as well as the Chief Executive Officer.

Insiders should submit their requests for pre-clearance through ____________________________ at least one business day prior to date such person wants to trade in order to give sufficient time for review of the request. An Insider's request should indicate the type of transaction (*e.g.,* purchase, sale, gift, option exercise) and the anticipated trading date. As part of the request, an Insider must certify that he or she is not in possession of material nonpublic information about Eastman. Pre-clearance of a trade is valid for three business days, during which time the requested transaction is permitted unless the Insider becomes aware of material nonpublic information during that time. A pre-cleared transaction (or any portion of a pre-cleared transaction) that has not been effected during the three-business day period must be pre-cleared again prior to execution.

Insiders that are subject to Section 16 of the Securities Exchange Act of 1934, as amended (*i.e.,* those directors and executive officers who have filed a Form 3 and are required to file Forms 4 and 5), are reminded of their reporting obligations and possible liability to Eastman for "short-swing profits" for transactions in Eastman stock or options. Such individuals shall notify the Chief Legal Officer and Corporate Secretary or the Office of the Corporate Secretary as soon as possible following a transaction in Eastman Securities, but in any event within one business day after a transaction in Eastman Securities. These pre-clearance procedures will help us assist Insiders in complying with their Section 16 obligations. If you have any questions in this regard, please contact the Office of the Corporate Secretary <u>before</u> effecting a transaction in Eastman Securities.

IV. <u>CERTAIN TRANSACTIONS NOT SUBJECT TO TRADING RESTRICTIONS</u>

A. Rule 10b5-1 Plans

Transactions by a Company Person under a pre-existing written plan, contract, instruction or arrangement under Rule 10b5-1 of the Securities Exchange Act of 1934 (a "**10b5-1 Plan**") will not be subject to the Blackout Periods and pre-clearance provisions set forth in this Policy so long as:

1. The 10b5-1 Plan (and any revision or amendment thereto) was not entered into when a blackout period was in effect;

2. The 10b5-1 Plan (and any revision or amendment thereto) includes written representations by the Company Person certifying that he or she (i) is not aware of material nonpublic information about Eastman or its securities; and (ii) is adopting or amending the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Exchange Act Rule 10b5-1;

3. The 10b5-1 Plan (i) explicitly specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formulas describing such transactions; or (ii) gives a third-party the discretionary authority to execute such purchases and sales outside the control of the Insider, so long as such party does not possess any material nonpublic information about the Company;

4. The 10b5-1 Plan includes a "**cooling-off period**" between the date the 10b5-1 Plan is adopted or amended and when the first transaction under the plan commences. For officers and directors, the cooling-off period is the later of (i) 90 days after the adoption or amendment of the 10b5-1 Plan; or (ii) two business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or modified. With respect to persons other than officers and directors, the applicable cooling-off period is 30 days after the adoption or amendment of the 10b5-1 Plan;

5. If the 10b5-1 Plan is meant to effect a single transaction, the Company Person may not have had another single-trade plan (10b5-1 or otherwise) during the prior 12-month period; and

6. The 10b5-1 Plan (and any revision or amendment thereto) has been reviewed and approved by the Chief Legal Officer and Corporate Secretary or the Assistant Corporate Secretary.

Under SEC rules, Eastman will be required to provide quarterly disclosure on Forms 10-Q and 10-K of (i) whether any officer or director has adopted, amended or terminated a 10b5-1 Plan or non-Rule 10b5-1 trading arrangement; and (ii) a description of the material terms of each plan, including the name and title of the officer or director; the date the plan was adopted, amended or terminated; the plan's duration; and the total amount of securities to be purchased or sold under the plan (price terms are not required to be disclosed).

B. Dividend Reinvestment Plans

The prohibitions set forth herein do not apply to purchases of Eastman stock under the Eastman dividend reinvestment plan that result from your reinvestment of dividends paid on Eastman stock held in such plan. This prohibition does apply, however, to other purchases of Eastman stock under the plan that result from additional contributions you choose to make to the dividend reinvestment plan, or to increases or decreases in your level of participation in the plan. This prohibition also applies to your sale of any Eastman Securities purchased pursuant to the plan.

V. POST SEPARATION TRANSACTIONS

This Policy continues to apply to transactions in Eastman Securities after termination of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, or if the Company's trading window is closed at the time of termination, that individual may not trade in Eastman Securities until any such material nonpublic information has become public or is no longer material and/or the Company's trading window has opened. The pre-clearance procedures specified in Section III.C above, however, will cease to apply to transactions in Eastman Securities upon the opening of the Company's trading window and/or expiration of any Event-Specific Blackout Period.

VI. REPORTING OF VIOLATIONS

Any Company Person who believes he or she may have violated this Policy or any federal or state law governing insider trading or tipping, or knows of any such violation by any other Company Person, must report the violation immediately to the Chief Legal Officer or the Managing Director – Global Corporate Compliance Officer. Upon determining that any such violation has occurred, the Chief Legal Officer, in consultation with the Company's Disclosure Committee, will determine whether the Company should release any material nonpublic information, and, when required by applicable law, shall cause the Company to report the violation to the SEC or other appropriate governmental authority.

VII. STOCK OWNERSHIP GUIDELINES

Eastman believes that, in order to align the interests of management and the Board of Directors with those of its shareholders, it is important that the officers and directors hold a meaningful ownership position in Eastman common stock. To achieve this alignment, Eastman has established the following formal stock ownership guidelines.

Position	Minimum Ownership Requirement
Chief Executive Officer	5 times annual base salary
Section 16 Officers (other than the CEO)	2.5 times annual base salary
Non-management Directors	5 times annual retainer

* * * * * * * * * *

If you have any questions about this Policy or its application, please contact the Office of the Corporate Secretary at ___________________________with any questions or concerns. You should discuss any questions with respect to the applicability of this Policy to any information or securities transaction <u>before</u> effecting any such transaction.

Exhibit 21.01

EASTMAN CHEMICAL COMPANY SUBSIDIARIES

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
3F Feed and Food, S.L.U.	Spain
Accoya USA, LLC	Delaware
AI-Red Technology (Dalian) Co., Ltd.	China
Appalachian Resource Investments, LLC	Delaware
C.E.N	France
CP Films Vertriebs GmbH	Germany
Crown Operations International, LLC	Delaware
Eastman Acetyls, LLC	Delaware
Eastman Adhesives Holding B.V.	Netherlands
Eastman Belgium Finance BV	Belgium
Eastman Chemical (Barbados) SRL	Barbados
Eastman Chemical (China) Co., Ltd.	China
Eastman Chemical (China) Co., Ltd. - Guangzhou Branch	China
Eastman Chemical (Malaysia) Sdn. Bhd.	Malaysia
Eastman Chemical (Nanjing) Co., Ltd.	China
Eastman Chemical (PPU) Pte. Ltd.	Singapore
Eastman Chemical Adhesives (Hong Kong) Limited	Hong Kong
Eastman Chemical Advanced Materials B.V.	Netherlands
Eastman Chemical AMI GmbH	Switzerland
Eastman Chemical AMI LLC	Switzerland
Eastman Chemical AP Holdings B.V.	Netherlands
Eastman Chemical Argentina S.R.L.	Argentina
Eastman Chemical Australia Pty LTD - New Zealand Branch	New Zealand
Eastman Chemical Australia Pty. Ltd.	Australia
Eastman Chemical B.V.	Netherlands
Eastman Chemical B.V. - Czech Republic Representative Office	Czech Republic
Eastman Chemical B.V. - Denmark Branch	Denmark
Eastman Chemical B.V. - Hungarian Commercial Representative Office	Hungary
Eastman Chemical B.V. - Poland Representative Office	Poland
Eastman Chemical B.V. - South Africa Representative Office	South Africa
Eastman Chemical B.V., The Hague, Zug Branch	Switzerland
Eastman Chemical Barcelona, S.L.	Spain
Eastman Chemical Canada, Inc.	Ontario
Eastman Chemical Company Investments, Inc.	Delaware
Eastman Chemical de Chile SpA	Chile
Eastman Chemical do Brasil Ltda.	Brazil
Eastman Chemical EMEA B.V.	Netherlands
Eastman Chemical Europe S A R L (Branch)	United Arab Emirates
Eastman Chemical Europe S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Fibers IP GmbH	Switzerland
Eastman Chemical Finance CN S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Finance EUR S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Finance GBP S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Finance SGD S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Finance USD S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Financial Corporation	Delaware

Eastman Chemical GDL S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Germany Holdings GmbH & Co. KG	Germany
Eastman Chemical Germany Management GmbH & Co. KG	Germany
Eastman Chemical Germany Verwaltungs-GmbH	Germany
Eastman Chemical Global Holdings S A R L (Branch)	United Arab Emirates
Eastman Chemical Global Holdings S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical GmbH	Germany
Eastman Chemical HK Limited	Hong Kong
Eastman Chemical Holdings do Brasil Ltda.	Brazil
Eastman Chemical Hong Kong B.V.	Netherlands
Eastman Chemical HTF GmbH	Germany
Eastman Chemical Iberica, S.L.	Spain
Eastman Chemical India Private Limited	India
Eastman Chemical Intermediates (Hong Kong) Limited	Hong Kong
Eastman Chemical International GmbH	Switzerland
Eastman Chemical International Holdings B.V.	Netherlands
Eastman Chemical Japan Ltd.	Japan
Eastman Chemical Korea B.V.	Netherlands
Eastman Chemical Korea, Ltd.	Korea (the Republic of)
Eastman Chemical Ltd.	New York
Eastman Chemical Ltd. - Australia Branch	Australia
Eastman Chemical Ltd. - Singapore Branch	Singapore
Eastman Chemical Ltd. - Taiwan Branch	Taiwan (Province of China)
Eastman Chemical Luxembourg Finance S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Luxembourg Holdings 1 S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Luxembourg Holdings LLC	Delaware
Eastman Chemical Luxembourg Holdings S.a.r.l.	Grand Duchy of Luxembourg
Eastman Chemical Malaysia B.V.	Netherlands
Eastman Chemical Netherlands Limited	United Kingdom
Eastman Chemical Products Singapore Pte. Ltd.	Singapore
Eastman Chemical Regional UK	England
Eastman Chemical Resins, Inc.	Delaware
Eastman Chemical Singapore Pte. Ltd.	Singapore
Eastman Chemical Switzerland GmbH	Switzerland
Eastman Chemical Switzerland LLC	Switzerland
Eastman Chemical Technology BV	Belgium
Eastman Chemical Uruapan, S.A. de C.V.	Mexico
Eastman Chemical US Finance LLC	Delaware
Eastman Chemical Workington Limited	England
Eastman Chemical, Asia Pacific Pte. Ltd.	Singapore
Eastman Chemical, Asia Pacific Pte. Ltd. - Vietnam Representative Office	Viet Nam
Eastman Chemical, Europe, Middle East and Africa LLC	Delaware
Eastman Circular Solutions France SARL	France
Eastman Circular Ventures, LLC	Delaware
Eastman Cogen Management L.L.C.	Texas
Eastman Cogeneration L.P.	Texas
Eastman Company UK Limited	England
Eastman de Argentina S.R.L.	Argentina
Eastman Europe B.V.	Netherlands

Eastman Fibers Holdings S.a.r.l.	Grand Duchy of Luxembourg
Eastman Fibers Korea Limited	Korea (the Democratic People's Republic of)
Eastman Fibers Singapore Pte. Ltd.	Singapore
Eastman Foundation	Tennessee
Eastman France SARL	France
Eastman Global Holdings, Inc.	Delaware
Eastman Interlayers (M) SDN BHD	Malaysia
Eastman International Holdings, LLC	Delaware
Eastman International Management Company	Tennessee
Eastman Italia S.r.l.	Italy
Eastman Kimya Sanayi ve Ticaret Limited Sirketi	Turkey
Eastman LAR Distribucion, S. de R.L. de C.V.	Mexico
Eastman Mazzucchelli Hong Kong Limited	Hong Kong
Eastman Mazzucchelli Plastics (Shenzhen) Company Limited	China
Eastman MFG Japan Ltd.	Japan
Eastman Middelburg Holding B.V.	Netherlands
Eastman OneSource, LLC	Delaware
Eastman Opportunity Zone Holding Corporation	Delaware
Eastman Performance Films Canada, Inc.	British Columbia
Eastman Performance Films, LLC	Delaware
Eastman Portugal, Unipessoal Lda.	Portugal
Eastman Shuangwei Fibers Company Limited	China
Eastman Spain L.L.C.	Delaware
Eastman Specialties Corporation	Delaware
Eastman Specialties Holdings Corporation	Delaware
Eastman Specialties OU	Estonia
Eastman Specialties S.a.r.l.	Grand Duchy of Luxembourg
Eastman Specialties Wuhan Youji Chemical Co., Ltd	China
Eastman Tennessee Qualified Investments, Inc.	Delaware
Eastman Verwaltungs- und Beteiligungsgesellschaft mbH	Germany
Ecuataminco S.A.	Ecuador
Holston Defense Corporation	Virginia
Huper Optik International Pte. Ltd.	Singapore
Kingsport Hotel, L.L.C.	Tennessee
Knowlton Technologies, LLC	Delaware
Monchem International LLC	Delaware
Mustang Pipeline Company	Texas
Novomatrix, Inc.	Delaware
Qilu Eastman Specialty Chemicals, Ltd.	China
S E Investment LLC	Delaware
Sakra Hyco Pte. Ltd.	Singapore
Solutia (Thailand) Ltd.	Thailand
Solutia Brasil Ltda.	Brazil
Solutia Canada Inc.	Ontario
Solutia Chemicals India Private Limited	India
Solutia Deutschland GmbH	Germany
Solutia Europe BV	Belgium
Solutia Europe BV - Portugal Representative Office	Portugal

Solutia Greater China, LLC	Delaware
Solutia Hong Kong Limited	Hong Kong
Solutia Inc.	Delaware
Solutia International Trading (Shanghai) Co., Ltd.	China
Solutia International Trading (Shanghai) Co., Ltd., Beijing Branch	China
Solutia Performance Products (Suzhou) Co., Ltd.	China
Solutia Performance Products Solutions, Ltd	Mauritius
Solutia Singapore Pte. Ltd.	Singapore
Solutia Therminol Co., Ltd. Suzhou	China
Solutia Therminol Co., Ltd. Suzhou, Branch	China
Solutia Tlaxcala, S.A. de C.V.	Mexico
Solutia UK Holdings Limited	United Kingdom
Solutia UK Investments Limited	United Kingdom
Solutia UK Limited	United Kingdom
Solutia Venezuela, S.R.L.	Venezuela
Southwall Europe GmbH	Germany
Southwall Insulating Glass, LLC	Delaware
Southwall Technologies Inc.	Delaware
St. Gabriel CC Company, LLC	Delaware
Sunspot Farms LLC	Texas
SunTek UK Limited	United Kingdom
Taminco BV	Belgium
Taminco BV - The Philippines	Philippines
Taminco Choline Chloride (Shanghai) Co., Ltd.	China
Taminco Corporation	Delaware
Taminco de Guatemala, S.A.	Guatemala
Taminco do Brasil Comercio de Aminas Ltda.	Brazil
Taminco do Brasil Produtos Quimicos Ltda.	Brazil
Taminco Finland Oy	Finland
Taminco Germany GmbH	Germany
Taminco Group BV	Belgium
Taminco Group Holdings S.a.r.l.	Grand Duchy of Luxembourg
Taminco Holding Netherlands B.V.	Netherlands
Taminco Limitada	Costa Rica
Taminco Uruguay S.A.	Uruguay
Taminco US LLC	Delaware
TX Energy, LLC	Delaware
V-Kool International Pte. Ltd.	Singapore

Exhibit 23.01

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-280083) and in the Registration Statement on Form S-8 (No. 333-264126) of Eastman Chemical Company of our report dated February 14, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this 10-K.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
February 14, 2025

EASTMAN

Exhibit 31.01

EASTMAN CHEMICAL COMPANY AND SUBSIDIARIES

Rule 13a - 14(a)/15d - 14(a) Certifications

I, Mark J. Costa, certify that:

1. I have reviewed this Annual Report on Form 10-K of Eastman Chemical Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2025

/s/ Mark J. Costa
Mark J. Costa
Chief Executive Officer

EASTMAN

Exhibit 31.02

EASTMAN CHEMICAL COMPANY AND SUBSIDIARIES

Rule 13a - 14(a)/15d - 14(a) Certifications

I, William T. McLain, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Eastman Chemical Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2025

/s/ William T. McLain, Jr.
William T. McLain, Jr.
Executive Vice President and Chief Financial Officer

EASTMAN

Exhibit 32.01

EASTMAN CHEMICAL COMPANY AND SUBSIDIARIES

Section 1350 Certifications

In connection with the Annual Report of Eastman Chemical Company (the "Company") on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Eastman Chemical Company and will be retained by Eastman Chemical Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: February 14, 2025

/s/ Mark J. Costa
Mark J. Costa
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

EASTMAN

Exhibit 32.02

EASTMAN CHEMICAL COMPANY AND SUBSIDIARIES

Section 1350 Certifications

In connection with the Annual Report of Eastman Chemical Company (the "Company") on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Eastman Chemical Company and will be retained by Eastman Chemical Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: February 14, 2025

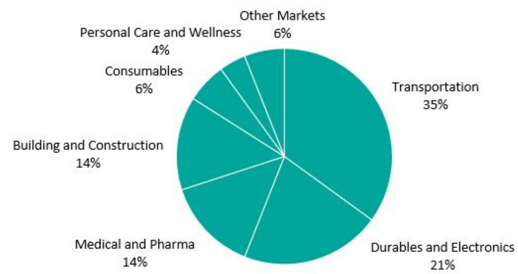
/s/ William T. McLain, Jr.
William T. McLain, Jr.
Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

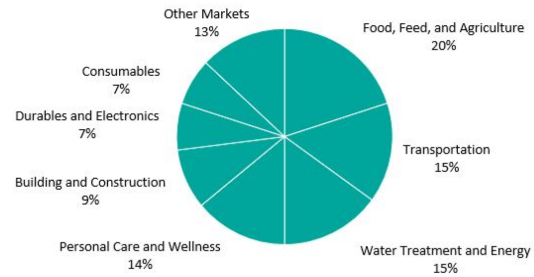
Exhibit 99.01

2024 company and segment sales revenue by end-use market

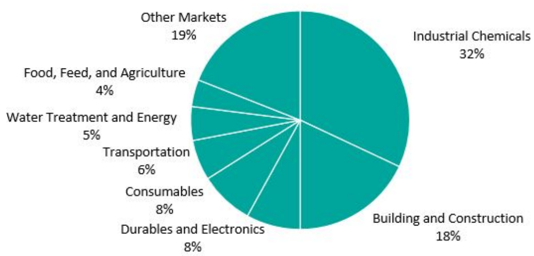
Advanced Materials



Additives & Functional Products



Chemical Intermediates



Total Eastman

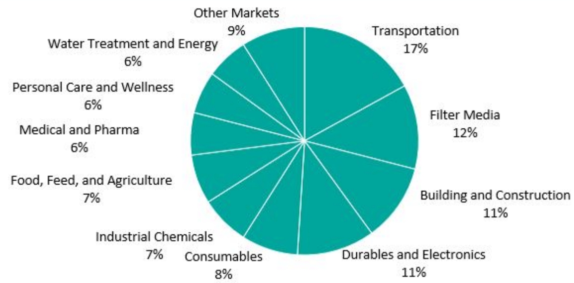
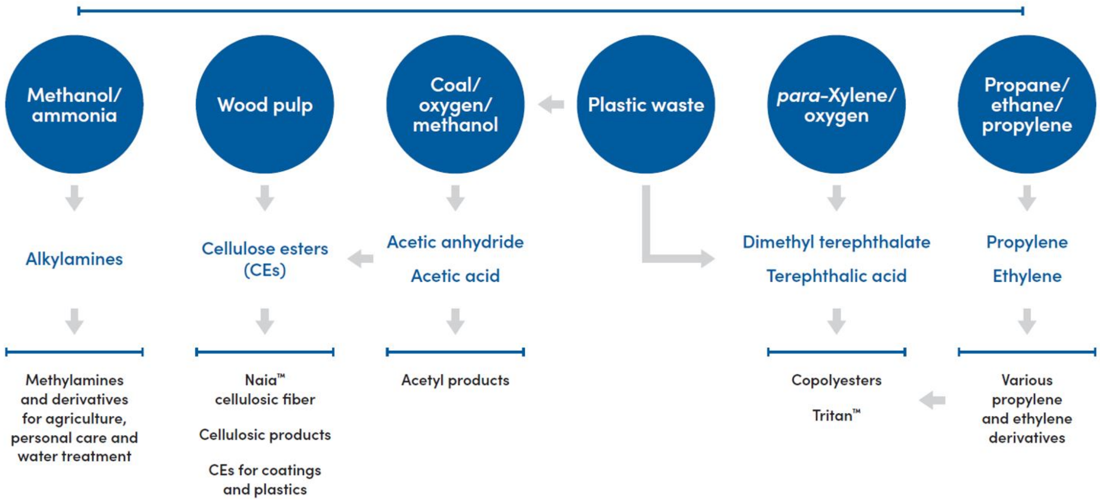


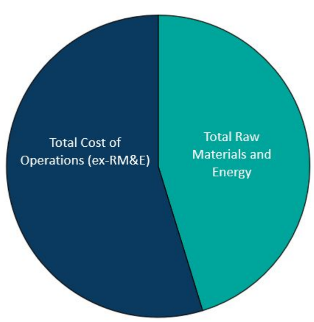
Exhibit 99.02

Eastman key materials flow

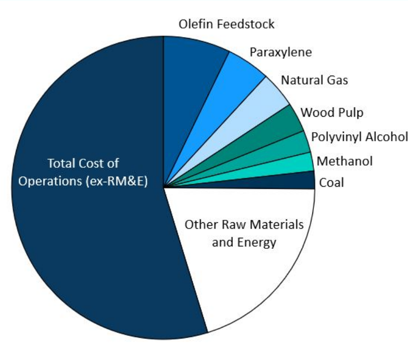


2024 Total Cost of Operations

Total Cost of Operations



Total Raw Materials and Energy



*Total Cost of Operations defined as sales less earnings before interest and taxes excluding non-core and unusual items. Non-core and unusual items are defined in "Management's Discussion and Analysis of Financial Condition Results of Operations - Non-GAAP Financial Measures" in Part II, Item 7 of the 2024 Annual Report on Form 10-K.